

**CINEVISTAAS**

L i m i t e d

**Annual Report**

**2011-2012**

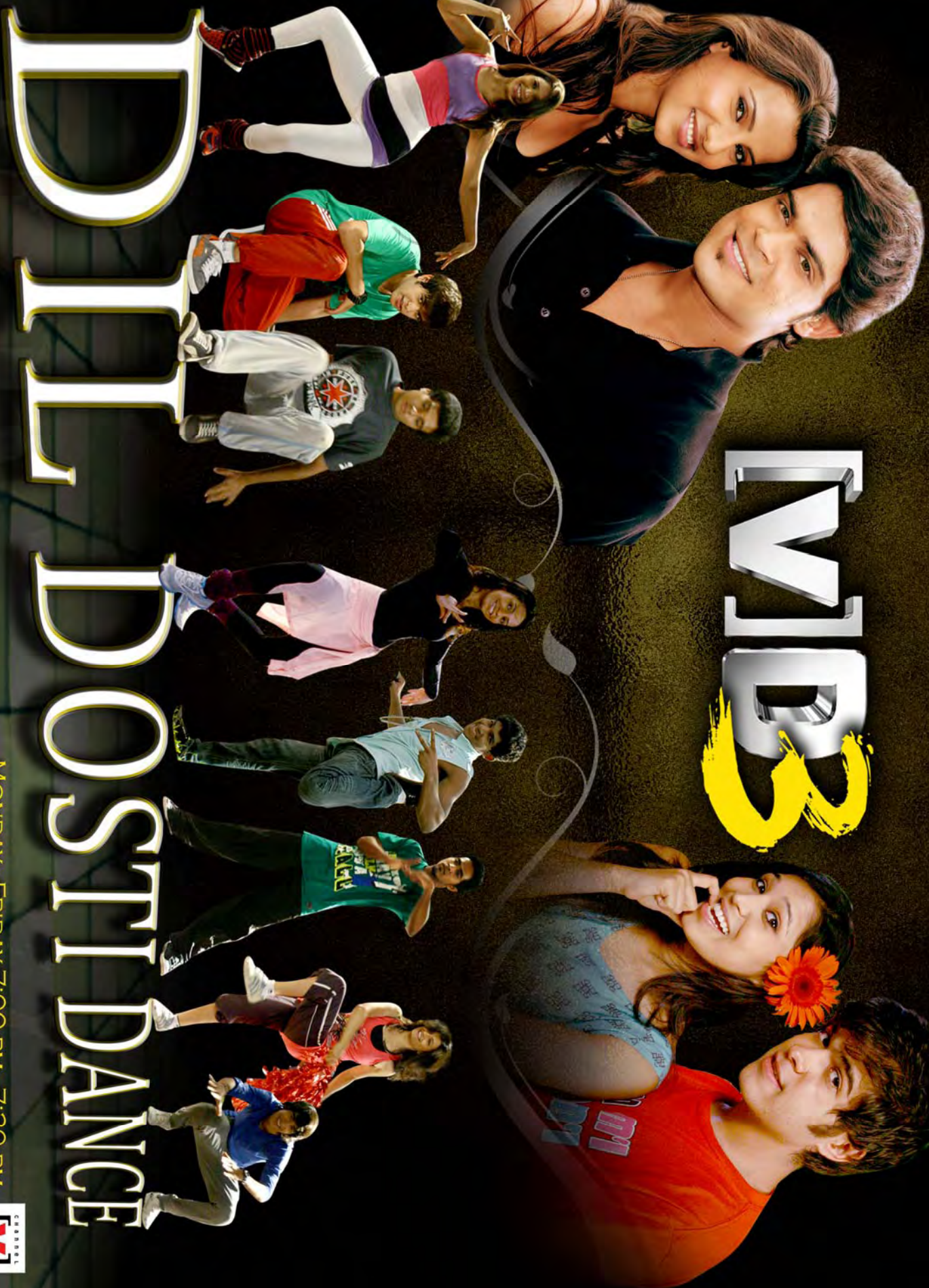


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**15th Annual General Meeting will be held on Wednesday, 26th day of  
September, 2012, at 11.00 a.m. at Santokba Sanskar Sadan,  
Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg,  
Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai - 400 056**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Prem Krishen Malhotra  
Sunil Mehta  
Talat Aziz  
Sulochana Talreja  
Renu Anand  
Niranjan Shivdasani

Chairman and Whole Time Director  
Vice Chairman and Managing Director  
Non - Executive Director  
Independent & Non Executive Director  
Independent & Non Executive Director  
Independent & Non Executive Director

### **MANAGEMENT EXECUTIVES**

Prem Krishen Malhotra, Chairman & Whole Time Director  
Sunil Mehta, Vice-Chairman & Managing Director  
K.B.Nair, Chief Financial Officer  
Abraham Mathew, Chief Accounts Officer

### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Kilpa Shah

### **STATUTORY AUDITORS**

Sarath & Associates  
Chartered Accountants  
Indian Globe Chambers,  
4th Floor, 142, W.H.Marg,  
D.N.Road, Mumbai - 400 001.

### **BANKERS**

Central Bank of India  
Worli Branch,  
Mumbai - 400018

### **REGISTERED OFFICE**

Plot No. 1, L.B.S. Marg,  
Gandhi Nagar, Kanjurmarg (W),  
Mumbai - 400 078.  
Tel No.: 022-2578 7622  
Fax No.: 022-2577 0446.

### **REGISTRAR & SHARE TRANSFER AGENT**

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur , Hyderabad - 500 081.  
Tel. No. : 040-23420818-24.  
Fax No. : 040-23303221

## NOTICE TO THE MEMBERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of M/s. Cinevistaas Limited will be held on Wednesday, 26th day of September, 2012, at 11.00 a.m. at Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai - 400 056 to transact the following business:

### AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Shri. Niranjan Shivdasani, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. Sarath & Associates, Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on remuneration to be decided by the Board of Directors."

### SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as the Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government or any other authority as may be necessary, the consent of the members be and is hereby given to change the name of the Company from "CINEVISTAAS LIMITED" to "CINEVISTA LIMITED"

**RESOLVED FURTHER THAT** the name CINEVISTAAS LIMITED wherever appearing in the Memorandum and Articles of Association, documents etc. be substituted by the new name CINEVISTA LIMITED upon approval of the same by the Central Government.

**RESOLVED FURTHER THAT** Mr. Sunil Mehta or Mr. Prem Krishen Malhotra, Directors of the Company be and is hereby authorized to make the necessary application to the Central Government for the approval of the aforesaid name and to take all acts, deeds, matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

### Registered Office:

Plot No. 1, L.B.S. Marg  
Gandhi Nagar  
Kanjurmarg (W)  
Mumbai - 400 078.  
Place: Mumbai.  
Date : 13th August 2012

By order of the Board  
**For Cinevistaas Limited**

Kilpa Shah  
Company Secretary

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th day of September, 2012 to 26th day of September, 2012 (both days inclusive).
5. As per clause 49(IV)(G)(i) of the Listing Agreement entered into with the Stock Exchanges, the brief profiles of the directors appointed and re-appointed, subsequent to retiring by rotation or otherwise, are disclosed in the 'Corporate Governance Report' attached to and forming part of the Directors' Report.
6. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has admitted the Company's Equity shares in its Depository System and the ISIN No. is INE039B01026. You may take advantage of the demat facility.
7. A member desirous of getting any information in respect of the contents of the Annual Report is requested to forward the queries to the Company atleast seven days prior to the meeting so that the required information can be made available at the meeting.
8. Members are requested to address all their shares / membership related queries to the Company's Registrar and Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd., Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.
9. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business at Item No. 4 of the notice, is annexed hereto.
10. Members are requested to bring their copy of the Annual Report for the meeting.
11. Members, who hold shares in electronic form, are requested to bring their Client Id & DP Id for easy identification.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Karvy Computershare Pvt. Ltd.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Karvy Computershare Pvt. Ltd., for assistance in this regard.
14. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies

to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

15. Details of director seeking re-appointment at the forthcoming Annual General Meeting to be held on 26th September, 2012 (in pursuance of Clause 49 of the Listing Agreement):

Name of the Director	Shri. Niranjn Shivdasani
Date of Birth	18/05/1935
Date of appointment on Board	01/05/2009
Qualification	H.S.C.
List of Directorships held in other companies	NIL
Shareholding in the Company (as on 31st March, 2012)	NIL
Relationship with existing Directors of the Company	Not related

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM No.: 4

The Company viz. M/s. Cinevistaas Limited was originally incorporated on the 7th of May, 1997 under the Companies Act, 1956 with the name styled as CINEVISTA COMMUNICATIONS PRIVATE LIMITED. Later, the Company changed its status from Private Limited to Public Limited and Certificate of Change of Name under the Companies Act, 1956 was obtained on 20th December, 1999 with the name styled as CINEVISTA COMMUNICATIONS LIMITED. Later, on 20th December, 2001, the Company again changed its name under the Companies Act, 1956 from CINEVISTA COMMUNICATIONS LIMITED to its current name viz. CINEVISTAAS LIMITED.

The directors are desirous of removing additional prefix "AS" behind the Company name since it makes the name long and undesirable in pronunciation. They wish to go back to the original key word "CINEVISTA". Hence, the directors propose to change the name from CINEVISTAAS LIMITED to CINEVISTA LIMITED, in order to make the Company's name simple and desirable in pronunciation. Also, more grammatically perfect.

Also, it is believed by the promoters and Board of Directors that the original key word "Cinevista" would bring the Company success and would definitely be more lucky and profitable to the business. The new name also defines objects of Company more precisely and clearly.

This minor change in name would enable the company to benefit considerably from the business recognition of its name "CINEVISTA" and goodwill and reputation attached to its services among its viewers, dealers, distributors, clients, etc. Besides, it is the Company's desire to go back to its roots.

Further, the Board has received the approval for availability of the name "CINEVISTA LIMITED" from the Registrar of Companies, Mumbai, Maharashtra.

Further, the Board clarifies that there is no change in objects as mentioned in the Objects Clause of the Memorandum of the Company. The objects of the Company remain the same.

## Cinevistaas Limited

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The change in name of the Company is subject to the approval of members in the Annual General Meeting and approval of the Central Government.

The provisions of the Companies Act, 1956 inter-alia require approval of the Members by way of Special Resolution for change of name of the Company and consequential alteration in the Memorandum of Association and Articles of Association of the Company. Hence, the Company seeks the approval of members for the change of name by way of a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this Resolution.

The Board of the Company recommends the resolution set out herein for your approval through Special Resolution

**Registered Office:**

Plot No. 1, L.B.S. Marg  
Gandhi Nagar  
Kanjurmarg (W)  
Mumbai - 400 078.  
Place: Mumbai.  
Date : 13th August 2012

By order of the Board  
**For Cinevistaas Limited**

Kilpa Shah  
Company Secretary



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in submitting the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### 1. Financial Results

(Rs. in lacs)

	STANDALONE	
	2011-12	2010-11
Income from Operations	3602.60	3494.30
Operating Expenditure	3124.45	3376.73
Depreciation and Amortisation	166.55	173.94
Operating Profit	311.60	(56.37)
Other Income	15.55	81.41
Profit before Finance Costs	327.15	25.04
Finance Costs	312.11	251.70
Profit after Finance Costs but before Tax	15.04	(226.66)
Tax Expenses	13.84	73.56
Net Profit After Tax	1.20	(300.22)

#### Financial and Operational Review:

The Company has earned a gross income of Rs. 3618.15 lacs for the financial year 2011-12, as compared to Rs. 3575.70 lacs in the previous year, recording an increase of Rs. 42.45 lacs.

The Company has earned a net profit of Rs. 1.20 lacs for the year as compared to net loss of Rs.300.22 lacs in the previous year.

Interest expenditure for the year under review has marginally increased by Rs. 60.41 lacs as compared to the previous year. Depreciation during the year has recorded a marginal decrease by Rs. 7.40 lacs as compared to marginal increase of Rs. 7.02 lacs in the previous year.

Earnings per share have been Rs. 0.002 for the current year as compared to NIL in the previous year.

#### Resources & Liquidity:

The Company's paid up capital is Rs.11,48,72,950 with accumulated Reserves & Surplus of Rs. 15220.39 lacs.

#### Management Discussion and Analysis Report (MDA)

The detailed Analysis of the Operating performance of the Company for the year, the state of affairs and the key changes in the operating environment has been included in the Management Discussion and Analysis section which forms part of the Annual Report.

### 2. Changes in Capital Structure

There has been no change in the capital structure during the year under review.

### 3. Transfer to Reserves

The amounts increased in the reserves during the year on account of the profit of Rs. 1,20,301.27 as compared to the previous year decrease on account of loss of Rs. 300,21,500.24

#### 4. Dividend

Your Directors do not propose any dividend for the year ended 31<sup>st</sup> March, 2012.

#### 5. Board of Directors

Mr. Niranjan Shivdasani, retire by rotation as Director at the upcoming Annual General Meeting and being eligible offers himself for reappointment. The Board recommends his appointment.

Brief resume of the Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding and relationships between them inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the report on Corporate Governance forming part of the Annual Report.

#### 6. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Management Discussion and Analysis and Auditors' Certificate are appended as part of the Annual Report. The required certification by Chief Executive Officer and Chief Financial Officer is also appended to the Annual Report.

The requisite certificate from the Auditors of the Company, M/s Sarath & Associates, Chartered Accountants, confirming Compliance with the conditions of Corporate Governance as stipulated under the aforesaid clause 49, is annexed to this Report.

#### 7. Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Directors' confirm the following:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed and that there are no material departures from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012, and of the Statement of profit and loss of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2012, on a going concern basis.

#### 8. Subsidiaries

There has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial highlights of the subsidiaries is included in the Annual Report.

As required under Clause 32 of the Listing Agreement entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries are attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial highlights of the Company's subsidiaries namely

Cinevista Studios Private Limited, Cinevista Eagle Plus Media Private Limited and Video Vista Inc. for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

**9. Fixed Deposits**

During the year under review, the Company did not accept any fixed deposits from the public.

**10. Auditors**

The Company's Statutory Auditors M/s. Sarath & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. You are requested to appoint the Auditors.

The Company has received the letter from them to the effect that their appointment if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the said Act.

**11. Secretarial Audit**

As directed by Securities & Exchange Board of India, (SEBI) secretarial audit is being carried out at the specified period by the Practicing Company Secretary. The findings of the secretarial audit were entirely satisfactory.

**12. Statutory Information**

**Conservation of Energy & Technology Absorption**

Considering the nature of the business of the Company, the particulars required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy and Technology Absorption are not applicable.

**Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings have been Rs. 52.83 lacs as compared to the previous year which amount to Rs. 69.31 lacs and Foreign Exchange Outgo is NIL as compared to previous year which was 0.70 lacs.

**Particulars of Employees**

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are not applicable since there is no employee drawing remuneration exceeding the ceiling prescribed therein.

**13. Appreciation**

Your Directors thank the viewers, suppliers, bankers, Financial Institutions, Central and State Governments and Shareholders, for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the company.

**For and on behalf of the Board  
Cinevistaas Limited**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2012

Prem Krishen Malhotra  
Chairman

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

To  
The Board of Directors  
Cinevistaas Limited

We, Sunil Mehta, Chief Executive Officer and K.B. Nair, Chief Financial Officer, of Cinevistaas Limited hereby certify to the best of our knowledge and belief that:

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, as to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year and
  - iii. there have been no instances of significant fraud of which we have become aware and any involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. All Board members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the year ended 31<sup>st</sup> March, 2012.

Place : Mumbai  
Date : 13<sup>th</sup> August, 2012

Sunil Mehta  
Chief Executive Officer

K.B. Nair  
Chief Financial Officer

## MANAGEMENT DISCUSSION & ANALYSIS

A very warm welcome to you, this morning, at the occasion of the 15<sup>th</sup> A.G.M. of your Company. As compared with the year before, your Company has redeemed lost ground and traversed back to green, from the RED, it showed up last year in. Its been a slow and steady, but sure trail towards the path of growth, consolidation, diversification and building volumes, which will become more discernible to our valued shareholders, over the coming three years. But before we talk about the way forward, lets take a look at the year gone by.

The Financial Year 2011 – 2012 saw your Company recording a total turnover of Rs.36,18,15,469/-. Depreciation costs accounted for Rs.1,66,54,838/- while interest costs accrued to total Rs.3,05,07,042/-. A huge burden, which we necessary need to cut down, in the years ahead. We're currently looking at various options, with a sole view of curtailing our interest costs, focusedly, in the year ahead.

The Financial Year 2011 -2012 primararily saw three of your Company's programmes featuring across different time-bands, across different networks.

"DIL, DOSTI, DANCE" – D3 as it is fondly called, became the channel driver for Channel V, of the Star group. This one show singularly laid the foundation and became the stepping stone for the channel to establish an entire band width of prime-time fiction programming, restructuring it to a position once commanded by Star-One, in its hey days. This show vastly loved and hugely patronised by its target audience, is well on its way to running right through the Financial Year 2012 – 2013, on the pure merit of its performance and the T.R.P.'s it commands. Your Company is a leader in shows, targeted at the true youth segment.

'EK HAZAARON MEIN MERI BEHNA HAI' completes a year of its telecast, this 2<sup>nd</sup> of October 2012. Extremely well received by the entire family audience, all over, this beautifully crafted, emotionally well webbed, romantically tilted show, has been received whole heartedly, not only by the target audience it was meant to reach out to, but by one and all, across all age groups. We're extremely confident that this soap will see atleast another year of telecast, before it concludes with its entire gamit of emotions, conflicts and turbulence, weaved intricately within the very many characterisations and plots, that the series has masterly put together. We're proud to share with our valued shareholders that two of our four lead players have been contracted by leading film makers for breaks, in their forthcoming films.

'SEETE', on Udaya TV, completed its glorious run of 564 episodes, on the 31<sup>st</sup> of August 2012. This series has been a great learning experience for us, which has in many ways, further intensified our resolve to do bigger and better work in the state of Karnataka.

'MAHABHARATA' is thus the new project that will find berth in the very slot vacated by 'SEETE', on Udaya TV. A mammoth, multi-dimensional project, entailing huge production costs, besides investment in time, effort, passion, perseverance and perfection, this will hit the small screen on Udaya TV's platform, from the 3<sup>rd</sup> of September 2012. We hope to have a dream run with this Mother of all Mythologicals!

"MAHABHARATAM" will be our maiden venture on the Sun T.V. platform. It was your Company's desire and wish to ultimately get on to the largest and the most viewed network in terms of numbers, in the South i.e. Sun T.V. 'SEETE', on Udaya, was our launch pad which not only propelled numbers on an early non-prime-time 6 – 6.30 pm slot, but amazed both the viewers and the channel, with it's production quality, research and authenticity, screenplay and dialogues, visual beauty, to give your Company the much needed recognition it needed in the South, for Sun T.V. to recognise your Company's ability to allot it, the coveted Sunday morning 9.30 – 10.30 am prime-time slot, for the Mega series titled "MAHABHARATAM". While this will be a weekly, "MAHABHARATA" telecast on Udaya T.V. will be a daily, telecast five times a week, between Monday's and Friday's at the 6 – 6.30 pm time band.

“MAHABHARATAM”, being produced by your Company in the Tamil language, will be the very first full blown Mythological, to have been ever attempted and produced in the state of Tamil Nadu, with Tamil actors and technicians. It is your Company’s vision, hardwork and initiative that has made this endeavour possible.

“MAHABHARATAM” goes on the air, on Sun T.V. tentatively on the 16<sup>th</sup> of September 2012; a week here or there possibly. The biggest advantage that we’ve with these products, is that the I.P.R. will vest with your Company, in perpetuity.

We have just finished a shoot for a tele-film, for Star-Plus. The edited length has come down to a full 80 minutes. It stars the “DILL MILL GAYYE” heartthrob, Karan Singh Grover, in the title role. By the time, we meet for our Annual General Meeting, this will have been aired either on Saturday’s/Sunday’s, on the Star-Plus platform, in the evenings, in August 2012. Titled “EK NANO SI LOVE STORY”, it is a beautifully crafted RomCom, which your Company truly hopes, its valued sharholders, truly enjoy.

Besides the above, in the coming months, your Company’s efforts, time and money will be employed in the shoot of several pilot episodes, details of which are listed below:-

1. A pilot for the channel “Life O.K.” is scheduled for shoot, in the month of August 2012.
2. A pilot episode for Sony T.V. for a series tentatively titled ‘CHAHAT’. This shoot is also scheduled for the month of August 2012.
3. A test episode for a new series, to be aired on Channel V is scheduled for shoot, in September 2012.

All these pilot episodes, will then go through a research analysis, with various teams, charted out by channels, which has become customary today, before putting a product on air.

If all goes well, your Company will have all the above referred series, on the air, at some point of time, between the 3<sup>rd</sup> quarter and the 4<sup>th</sup> quarter of 2012 – 2013. However, this is entirely dependent on the feedback the channels receive from their research team and most importantly, their own need, at that point of time!

What is important and significant for our valued shareholders to note, is that your Company has been able to access work, across different channels. As a production Company, we promise to put in our very best, into every singular pilot, we execute. The rest, we leave to destiny. Before concluding, your Company would like to reiterate it’s motto, for it’s shareholders. It reads :-

*We’ve come a long way,  
But, at times, we feel,  
Like we’ve only just begun,  
For there is still so much to say, to tell,  
And the best has yet to come.*

Thank you

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-2012**

(as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges)

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Good corporate governance are sustainable business practices that aims at generating long term value to all its shareholders and other stakeholders. Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorised through principle based standards and not just through a framework enforced by regulation. Good corporate governance practices enhance companies' value and stakeholders' trust resulting into robust development of capital market, the economy and also help in the evolution of a vibrant and constructive shareholders' activism.

Strong governance standards focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector growth, as well as inclusive growth of the economy.

The Company believes in adopting the best practices in the areas of Corporate Governance. Even in the fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the Company as a whole.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of the shareholders wealth and at the same time protect the interests of all its shareholders.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance. The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in clause 49 of the Listing Agreement with the Stock Exchanges is set out below:

**2. BOARD OF DIRECTORS:**

The current policy is to have appropriate mix of executive and independent directors to maintain independence of the Board and to separate its functions of governance and management. Currently, the Company has an Executive Chairman and the number of Independent Directors is more than half of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below :

## Cinevistaas Limited

Name of the Directors	Category	No. of Board Meetings attended during 2011-12	Whether attended AGM held on 26th September 2011	Directorship in Other Public Companies (*)	No. of Board Committees (other than Cinevistaas Limited) in which Chairman/ Member
Shri Prem Krishen Malhotra Chairman & Whole Time Director	Promoter & Executive Director	3	No	Nil	Nil
Shri Sunil Mehta Vice Chairman & Managing Director	Promoter & Executive Director	4	Yes	Nil	Nil
Shri Talat Aziz	Non-executive Director	1	No	Nil	Nil
Smt. Sulochana Talreja	Independent & Non-executive Director	1	Yes	Nil	Nil
Smt. Renu Anand	Independent & Non-executive Director	1	Yes	Nil	Nil
Shri Niranjan Shivdasani	Independent & Non-executive Director	2	Yes	Nil	Nil

**(\*) – excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and Membership of Managing Committees of Various Bodies.**

**Only membership of Audit Committee and Shareholders/Investors Grievances Committee are considered.**

### **Board Meetings:**

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The notice, agenda and the relevant notes are sent in advance to each Director.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly made available to the Board.

The Board's role, functions responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, sale of business unit/division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.



The minutes of the Board meetings are circulated in advance and confirmed at subsequent meetings. The Minutes of the Audit Committee and other Committees of the Board are regularly placed before the Board.

Four Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

30<sup>th</sup> May 2011, 12<sup>th</sup> August, 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

The necessary quorum was present at all the meetings.

The Board periodically reviews compliance reports of all laws applicable to the company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During the year 2011-12, the Company did not have any material pecuniary relationship or transaction with any Non-executive Director.

#### **Code of Conduct:**

All Board members and Senior Management personnel of the Company have affirmed compliance with the 'Code of Conduct' of the Company for the year ended 31<sup>st</sup> March, 2012, and the said 'Code of Conduct' has been posted on the website of the Company i.e. [www.cinevistaas.com](http://www.cinevistaas.com)

### **3. COMMITTEES OF THE BOARD**

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review. The Board has currently established the following statutory and non-statutory Committees.

#### **3.1 AUDIT COMMITTEE:**

##### **Broad Terms of Reference**

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the board on the adequacy of the internal control systems and financial disclosures.

The terms of reference of the audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- a. To review compliance with internal control systems
- b. To review the findings of internal auditor relating to various functions of the company
- c. To recommend to the Board, the appointment, reappointment and if required, the replacement or removal of the Statutory auditors and the fixation of audit fees
- d. To review quarterly, half yearly and annual financial statements before submission to the Board for approval
- e. To review performance of the statutory and internal auditors, adequacy of the internal control systems;

In fulfilling the above role, the audit committee has powers to investigate any activity within its terms of reference.

### Composition

The Audit Committee comprises of three Independent & Non-executive Directors. The Audit Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and section 292A of the Companies Act, 1956. The quorum for the audit Committee meetings is 2 members, the Company Secretary acts as Secretary to the Committee.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

### Composition of the Audit Committee and the attendance of each Director:

During the financial year ended 31<sup>st</sup> March 2012, four Audit Committee meetings were held on 30<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 12<sup>th</sup> November, 2011 and 14<sup>th</sup> February 2012. The gap between two meetings did not exceed four months.

The necessary quorum was present for all the meetings.

Composition of Audit Committee and the attendance of each director are shown below:

Name of the Directors	Category	Number of Meetings Attended
Shri Niranjana Shivdasani, Chairman	Independent & Non-executive	3
Smt. Renu Anand, Member	Independent & Non-executive	2
Smt. Sulochana Talreja, Member	Independent & Non-executive	3

Shri Niranjana Shivdasani, who acts as the Chairman of the Audit Committee meetings, was present at the 14<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2011.

### 3.2 REMUNERATION COMMITTEE:

#### Terms of Reference

- reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Wholetime Director(s).
- reviewing the performance of the Managing/Wholetime Director(s) and recommending to the Board the quantum of annual increments.
- To approve the annual remuneration plan of the Company
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

The remuneration committee also functions as the Compensation Committee as per SEBI guidelines as per Employees Stock Option Scheme. The Company, however, has not yet introduced the Employees Stock Option Scheme.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

The remuneration package of the Executive Directors consists of gross consolidated package. No other benefits viz. commission, pension, provident fund, etc. are applicable to the Executive Directors. The Non-Executive Directors of the Company are being paid Sitting fees for each meeting attended. During the year 2011-12, the Company paid sitting fees of Rs. 1500/- (Rupees One Thousand Five Hundred Only) per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board.

During the financial year ended 31<sup>st</sup> March 2012, four Remuneration Committee meetings were held on 30<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

The necessary quorum was present for all the meetings.

Composition of Remuneration Committee and the attendance of each director are shown below:

Name of the Directors	Category	Number of Meetings Attended
Smt. Sulochana Talreja, Chairman	Independent & Non-executive	4
Shri Niranjan Shivdasani, Member	Independent & Non-executive	2
Smt. Renu Anand, Member	Independent & Non-executive	2

The Company Secretary acts as Secretary to the Committee.

#### Details of remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2012:

##### Managing and Whole-time Directors:

Name of the Director	Designation	Salary (In Rs.)
Shri Prem Krishen Malhotra	Chairman & Whole Time Director	25,20,000
Shri Sunil Mehta	Vice Chairman & Managing Director	25,20,000

##### Non-Executive Directors:

Name of the Director	Designation	Sitting Fees (In Rs.)	No. of shares held
Shri Talat Aziz	Director	1500	Nil
Smt. Sulochana Talreja	Director	13500	500
Smt. Renu Anand	Director	13500	Nil
Shri Niranjan Shivdasani	Director	12000	Nil

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

### 3.3 SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE:

The Shareholders /Investors Grievance Committee ensures the redressal of the complaints received from shareholders/investors with regard to the share transfer, transmission, issue of duplicate share certificate, non-receipt of refund, etc. Considering the nature of the complaints, including pending if any, the Committee meets as and when necessary.

## Cinevistaas Limited

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During the financial year ended 31<sup>st</sup> March 2012, four Shareholders/Investors Grievance Committee meetings were held on 30<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

The necessary quorum was present at all the meetings.

Composition of the Shareholders/Investors Grievance Committee and the attendance of each director are shown below:

Name of the Directors	Category	Number of Meetings Attended
Smt. Renu Anand, Chairman	Independent & Non-executive	4
Shri Niranjana Shivdasani, Member	Independent & Non-executive	1
Shri Prem Krishen Malhotra, Member	Promoter & Executive	3

The Company Secretary acts as Secretary to the Committee.

The Share Department of the company and Share Transfer Agent, Karvy Computershare Pvt. Ltd. attend to all grievances of all the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, etc.

The Minutes of Shareholders/Investors Grievance Committee Meetings are noted by the Board of Directors at the Board Meetings.

**The total number of the complaints received and replied to the satisfaction of the shareholders during the year ended 31st March, 2012 were Two. There were no complaints outstanding as on 31<sup>st</sup> March, 2012.**

Details of Shareholders / Investors Complaints received and redressed

Nature of Complaints	Complaints received	Complaints redressed
Non receipt of dividend	0	0
Non-receipt of shares/certificates after transfer / merger / split / consolidation	0	0
Non-receipt of Refund	0	0
Non-receipt of Annual Report	0	0
Request for Exchange of Old Certificates With New Certificates	2	2
Loss of Securities and Request for Issue of Duplicate	0	0
Receipt of IB and Affidavit for Issue of Duplicate Securities	0	0
<b>Total</b>	<b>2</b>	<b>2</b>

It is ensured that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders/Investors complaints and other correspondence are normally attended to within seven working days. No investor grievances remained unattended/pending for more than 30 days as on March 31, 2012.

### 3.4 SHARE TRANSFER / TRANSMISSION COMMITTEE

The Share Transfer / Transmission Committee is formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee comprises of three Directors of the Board and it considers application for transfer of the Company's shares, for splitting up, for consolidating share certificates and to comply with provisions in this regard. The Committee is authorised to order for cancellation of any share certificate and to sign, seal or issue any new share certificate either as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. The Committee meets at regular intervals to approve the share transfers and other related matters.

During the financial year ended 31<sup>st</sup> March 2012, four Shareholders/Investors Grievance Committee meetings were held on 1<sup>st</sup> April 2011, 22<sup>nd</sup> July 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012. The necessary quorum was present at all the meetings.

Composition of the Shareholders/Investors Grievance Committee and the attendance of each director are shown below:

Name of the Directors	Category	Number of Meetings Attended
Shri Sunil Mehta, Chairman	Promoter & Executive	4
Shri Prem Krishen Malhotra, Member	Promoter & Executive	4
Smt. Sulochana Talreja, Member	Independent & Non-executive	1

The Company Secretary acts as Secretary to the Committee.

The Share Department of the company and Share Transfer Agent, Karvy Computershare Pvt. Ltd. attend to all transfers of shares of all the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, etc.

### 4. GENERAL BODY MEETINGS:

The details of the location and time where last three Annual General Meetings were held:

Financial Year	Location	Day & Date	Time
2008-2009	Satokba Sanskar Sadan, Shri Vile Parle Kelavani Mandal, U-1, Juhu Development Scheme, Vile Parle (W), Mumbai - 400056	Friday, 25 <sup>th</sup> September 2009	11:00 A.M.
2009-2010	Shri Bhaidas Maganlal Sabhagriha, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai – 400 056.	Friday, 24 <sup>th</sup> September 2010	11:00 A.M.
2010-2011	Shri Bhaidas Maganlal Sabhagriha, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai – 400 056.	Monday, 26 <sup>th</sup> September 2011	11:00 A.M.

### **Special Resolutions passed during the last three AGMs:**

- 1) Special Resolution for re-appointment of Shri. Sunil Mehta as the “Vice-Chairman & Managing Director” of the Company for the period of three years was passed at the Fourteenth Annual General Meeting of the Company held on 26<sup>th</sup> September, 2011, which was put to vote by show of hands and passed unanimously.
- 2) Special Resolution for re-appointment of Shri. Prem Krishen Malhotra as the “Chairman & Whole-Time Director” of the Company for the period of three years was passed at the Fourteenth Annual General Meeting of the Company held on 26<sup>th</sup> September, 2011, which was put to vote by show of hands and passed unanimously.
- 3) Special Resolution for re-appointment of Smt. Pamma Mehta as the “Administrative, Creative & Public Relations Officer” of the Company for the period of five years was passed at the Fourteenth Annual General Meeting of the Company held on 26<sup>th</sup> September, 2011, which was put to vote by show of hands and passed unanimously.
- 4) Special Resolution for re-appointment of Smt. Sunita Malhotra as the “Head-Costume, Designer and Development” of the Company for the period of five years was passed at the Fourteenth Annual General Meeting of the Company held on 26<sup>th</sup> September, 2011, which was put to vote by show of hands and passed unanimously.

### **Postal Ballot:**

During the year ended 31<sup>st</sup> March 2012, there were no resolutions passed by the Company’s members through Postal Ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

### **SUBSIDIARIES:**

The Company does not have any material non-listed Indian subsidiary whose turnover or networth (ie. Paid-up capital and free reserves) exceeds 20% of the consolidated turnover or networth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

### **CODE OF CONDUCT**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel. The said code has been displayed on the website of the Company [www.cinevistaas.com](http://www.cinevistaas.com).

### **INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has, effective February 20, 2002 introduced amendments to the existing Insider Trading Regulations of 1992 which ordain new action steps by corporates and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations 1992 as amended, the Company has adopted Code of Conduct for Prohibition of Insider Trading with effect from 23<sup>rd</sup> April,

2004. The code is applicable to all the Directors, Officers and such designated employees who are expected to have access to unpublished price sensitive information relating to the company.

Ms. Kilpa Shah, Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

**5. DISCLOSURES:**

**a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

As per the requirements of Accounting Standard 18, transactions with related parties are disclosed in Notes forming part of the financial statements in the Annual Report and the same are not in conflict with the interest of the Company.

**b. Details of Non-Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory authority on any matter related to the Capital markets, during the last three years**

The Company has complied with all the requirements of the Listing Agreement entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.

**c. Whistle Blower Mechanism**

The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees may report violations of laws, rules, regulations and unethical conduct to their immediate supervisor. The reports received from employees will be reviewed by the Audit Committee. The Director and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

**d. Non – mandatory requirements**

1. The terms of reference and policy of Remuneration Committee has been elsewhere explained in this Report.
2. The quarterly, half-yearly and annual financial results in respect of the financial performance of the Company are being published in The Financial Express (All Editions) and Apla Mahanagar apart from being displayed on the Company's website at [www.cinevistaas.com](http://www.cinevistaas.com) and SEBI CFDS System- website at [www.corpfiling.co.in](http://www.corpfiling.co.in). Hence, the results and summary of significant events are not being sent to each household of shareholders.

An Adoption of an other non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

### 6. REAPPOINTMENT OF DIRECTOR:

#### Shri. Niranjan Shivdasani

Shri Niranajan Shivdasani is a keen observer with immense knowledge and experience in advertising and marketing related to Media industry. Major span of his life was spent overseas serving a Media company with core business of formatting, designing and marketing of various international magazines. His experience has brought with him a lot of value which the company can capitalize on through the decision making process.

He does not hold the directorships in any other Public Limited Company and also is not a member/ chairman of any committees on the board of any other company.

Shareholding in Cinevistaas Ltd. as on 31st March, 2012: NIL

### 7. MEANS OF COMMUNICATIONS:

Effective communication of information is an essential component of corporate governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders and promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as result announcement, annual report, media releases, Company's website and subject specific communications. The following are designated sources of communications from the Company's side for its shareholders:

<b>Financial Results</b>	The quarterly, half-yearly and annual results of the Company are published in The Financial Express (All Editions) and Apla Mahanagar. The Board approves them and takes on record within prescribed time.
<b>Website</b>	The Company's website <a href="http://www.cinevistaas.com">www.cinevistaas.com</a> contains a separate dedicated section 'Investor Relations' where shareholders information is available.
<b>Annual Report</b>	Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
<b>Corporate Filing and Dissemination System (CFDS)</b>	The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. Pursuant to Clause 51 of the Listing Agreement with the Stock Exchange, all disclosures and communications to BSE & NSE are filed electronically through the CFDS website at <a href="http://www.corpfiling.co.in">www.corpfiling.co.in</a> and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.
<b>NSE Electronic Application Processing System (NEAPS)</b>	The NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.
<b>SEBI Complaints Redress System (SCORES)</b>	The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.



<b>Official news and presentations made to institutional investors &amp; analysts</b>	During the year, no presentation was made. In case, if any such presentations made in future, it would be displayed on the Company's website viz. www.cinevistaas.com
<b>Whether Management Discussion &amp; Analysis (MDA) is a part of the Annual Report</b>	Yes, Management Discussion Analysis (MDA) forms as the part of an Annual Report and is discussed in an earlier part of an Annual Report
<b>Designated Email Ids</b>	The Company has designated the following email-ids for investor servicing. (a) For queries in respect of shares: mailmanager@karvy.com (b) Any other queries: helpdesk@cinevistaas.com

## 8. GENERAL SHAREHOLDER INFORMATION

Day, Date & Time	Wednesday, 26th September 2012, at 11.00 a.m.
Venue	Shri Santokba Sanskar Sadan Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai - 400 056.
Financial Calendar	Financial reporting for the quarter ending: 30th June, 2011 (Audited) : 12th August 2011 30th September, 2011 (Audited) : 12th November 2011 31st December, 2011 (Audited) : 14th February 2012 31st March, 2012 (Audited) : 30th May 2012
Date of Book Closure	20th September 2012 to 26th September 2012 (Both days inclusive)
Dividend Payment Date	No Dividend Recommended.
Listing on Stock Exchange of Equity Shares	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001  The National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Scrip Code: ❖ BSE  ❖ NSE	Code No: 532324 Symbol: CINEVIST  Symbol: CINEVISTA EQ
Listing Fees	Listing fees has been paid to the above Stock exchanges for the financial year 2012-2013.
ISIN No	INE 039B01026

## Cinevistaas Limited

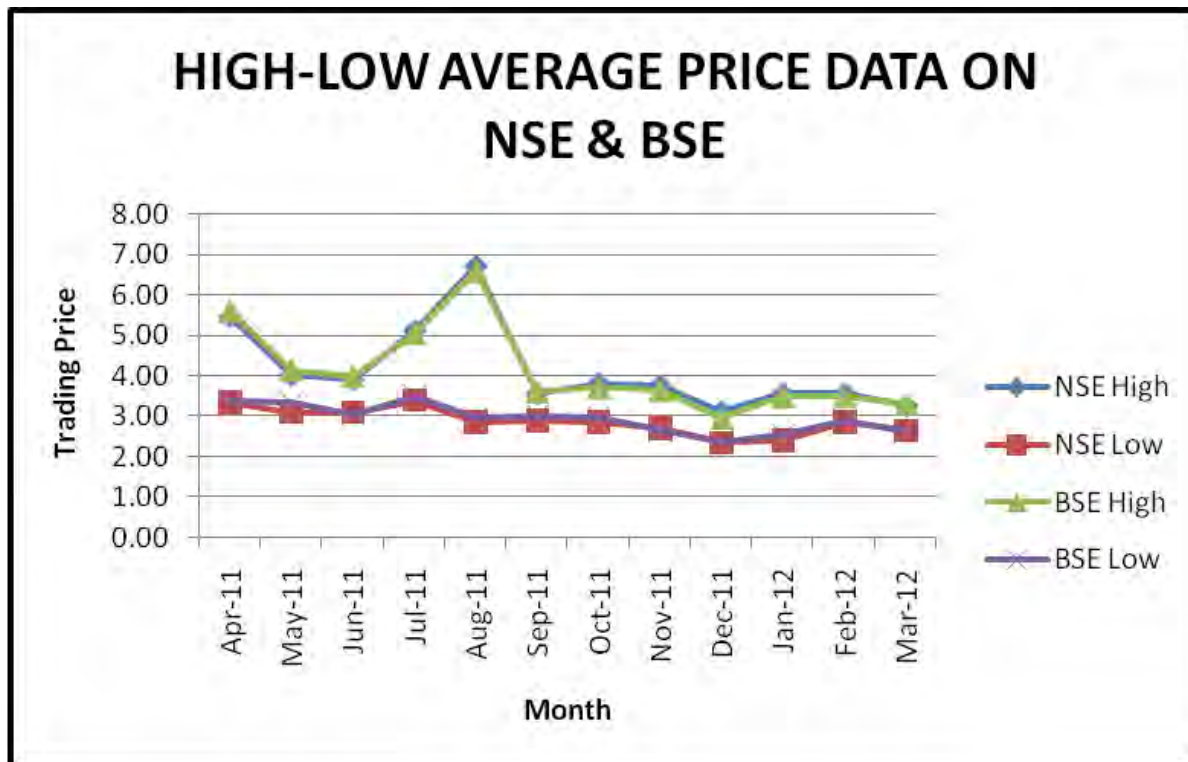
### B. Stock Market Data:

The monthly High and Low on BSE and NSE during the year were as follows:

Month	NSE		BSE	
	High	Low	High	Low
Apr-11	5.45	3.35	5.60	3.40
May-11	4.00	3.10	4.14	3.34
Jun-11	3.90	3.10	3.99	3.06
Jul-11	5.10	3.40	5.04	3.51
Aug-11	6.70	2.85	6.59	2.96
Sep-11	3.55	2.90	3.60	3.01
Oct-11	3.80	2.85	3.70	2.98
Nov-11	3.75	2.70	3.64	2.65
Dec-11	3.10	2.35	2.95	2.36
Jan-12	3.55	2.40	3.48	2.54
Feb-12	3.55	2.85	3.49	2.91
Mar-12	3.25	2.65	3.30	2.64

### Stock Performance (Indexed)

The performance of the Company's Shares relative to BSE Sensex and Nifty, is given in the Chart Below:



- C. Registrar and Transfer Agents :** Karvy Computershare Pvt. Ltd.  
**Unit: Cinevistaas Limited**  
 Plot No. 17-24, Vittal Rao Nagar, Madhapur  
 Hyderabad – 500 081.  
 Tel. No.: 040-23420818-24  
 Fax No.: 040-23430814  
 E-mail: mailmanager@karvy.com

Email exclusively for redressal of investors complaints : helpdesk@cinevistaas.com

**D. Share Transfer System:**

Request for share transfers in physical form are registered and returned within a period of 15 to 30 days. During the year, 500 shares were transferred in the physical form. The Share Transfer Committee of the Directors of the Company meets as and when required to approve the transfer of shares.

In compliance with Clause 47 (C) of the Listing Agreement with the Stock Exchanges, a practicing Company Secretary carries out audit every half-yearly of the System of Transfer and the certificate to that effect is issued. A copy of the said certificate is filed with the Stock Exchanges.

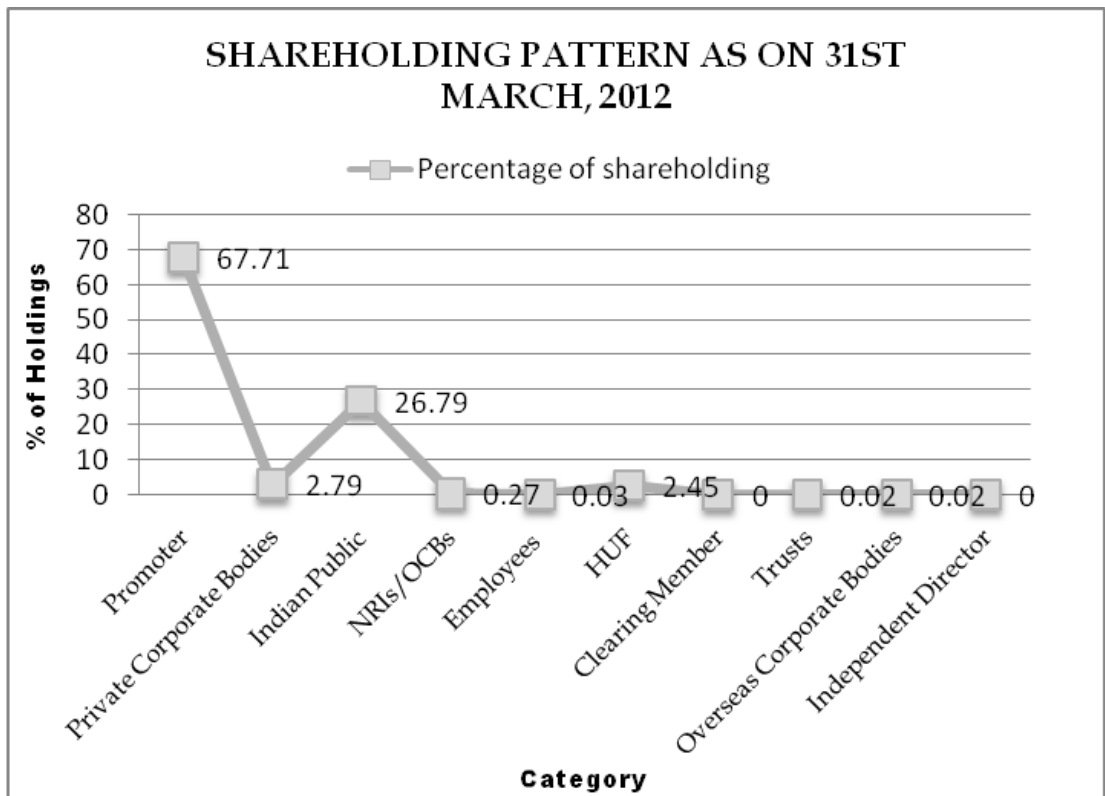
**E. Distribution of Shareholding as on 31<sup>st</sup> March, 2012:**

**Distribution Schedule As On 31/03/2012 (Total)**

Sr. No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1 - 5000	10332	92.09	12270404.00	10.68
2	5001 - 10000	439	3.91	3428176.00	2.98
3	10001 - 20000	244	2.17	3684040.00	3.21
4	20001 - 30000	77	0.69	1934176.00	1.68
5	30001 - 40000	33	0.29	1188352.00	1.03
6	40001 - 50000	21	0.19	971666.00	0.85
7	50001 - 100000	35	0.31	2486480.00	2.16
8	100001 & Above	39	0.35	88909656.00	77.40
	<b>Total:</b>	<b>11220</b>	<b>100.00</b>	<b>114872950.00</b>	<b>100.00</b>

**F. Shareholding Pattern as on 31<sup>st</sup> March, 2012:**

	Category	Nos. of shares held	Percentage of shareholding
a.	Promoter	38833780	67.71
b.	Mutual Funds and UTI	NIL	NIL
c.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-govt. Institutions)	NIL	NIL
d.	FII's	NIL	NIL
e.	Private Corporate Bodies	1604052	2.79
f.	Indian Public	15384762	26.79
g.	NRIs/OCBs	156482	0.27
h.	Employees	20000	0.03
i.	HUF	1409404	2.45
j.	Clearing Member	2750	0.00
k.	Trusts	12245	0.02
l.	Overseas Corporate Bodies	12500	0.02
m.	Independent Director	500	0.00
	<b>GRAND TOTAL</b>	<b>57436475</b>	<b>100.00</b>



**G. Dematerialisation of Shares and Liquidity:**

98.19% of the total equity capital is held in a dematerialised form with National Securities Depository Ltd. and Central Depository Services (India) Ltd. as on 31st March, 2012.

**Status of Dematerialisation as on 31st March, 2012**

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	51292460	89.30	7585
Central Depository Services (India) Limited	5107210	8.89	2858
Total dematerialized	56399670	98.19	10443
Physical	1036805	1.81	777
<b>Grand Total</b>	<b>57436475</b>	<b>100%</b>	<b>11220</b>

The Company has not issued any GDR/ADR during the year under review.

**H. Plant Locations:**

The Company has an integrated studio located at 6, Silver Croft, 33rd Road, Linking Road, Bandra (W), Mumbai - 400 050, and Plot No. 1, L.B.S. Marg, Kanjurmarg (W), Mumbai - 400 078.

**I. Registered Office:**

Plot No. 1, L.B.S. Marg  
Gandhi Nagar, Kanjurmarg (W)  
Mumbai – 400 078.

**J. Address for Correspondence:**

The Company Secretary  
Plot No. 1, L.B.S. Marg  
Gandhi Nagar, Kanjurmarg (W)  
Mumbai – 400 078.  
Tel. No.: 022-25787622/25770446.  
Fax No.: 022-25770503.  
E-mail: kilpa.shah@cinevistaas.com

**9. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL**

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form.

**10. COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

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**DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March 2012.

**For Cinevistaas Limited**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2012

Prem Krishen Malhotra  
Chairman

**AUDITORS' REPORT TO THE MEMBERS OF CINEVISTAAS LIMITED**

1. We have audited the attached Balance Sheet of Cinevistaas Limited as at 31st March, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto, and the Statement of Cash flow for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as considered appropriate and according to the confirmation and explanation given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - (iii) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet and the Statement of Profit and Loss dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable to the company.
  - (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012, from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Statement of Profit and Loss read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In so far as it relates to the Balance Sheet, of the 'state of affairs' of the Company as at 31st March 2012, and
    - ii) In so far as it relates to the Statement of Profit and Loss, of the 'Profit' of the Company for the year ended on that date.

**FOR SARATH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn.No. 5120 S

Place : Mumbai.  
Date : 30.05.2012

**CA. R. LAKSHMI RAO**  
PARTNER  
M.No. F-029081

**Annexure to Auditors' Report**

*Referred to in Paragraph 3 of our Report of even date.*

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative detail and situation of fixed assets.
- (b) During the year fixed assets of the company have been physically verified by the management at all locations at reasonable intervals having regard to the size of the company and nature of fixed assets. No material discrepancies have been noticed in respect of the fixed assets on such verification.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and therefore, the going concern status of the company is not affected.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification between the physical stock and book records.
- (iii) (a) The Company has taken unsecured loans from companies, firms or other parties listed in the register maintained under section 301 of the Act and the maximum amount outstanding at any time during the year is Rs 87,81,976.37 (previous year: Rs. 83,95,384.87) and closing balance as on 31-03-2012 is Rs. 87,81,976.37 (previous year: Rs.79,35,185.87). The company has granted unsecured loans to companies, firms or other parties listed in the register maintained under section 301 of the Act and the maximum amount outstanding at any time during the year is Rs. 3,75,51,779.37 (previous year: Rs 3,78,19,767.37) and closing balance as on 31.03.2012 is Rs 3,75,51,779.37 (previous year: Rs 3,75,44,767.37)
- (b) The terms and conditions of the unsecured loans given or taken by the company are prima facie not prejudicial to the interests of the company.
- (c) There are no stipulations as to repayment of principal amount and interest and as such there is no specific comment to be made in this regard.
- (d) In the absence of any specific stipulation as to the repayment of principal amount and interest, the question of reporting whether reasonable steps have been taken by the company for repayment of loans and advances does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements, that needed to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are transactions in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs.5,00,000/- (Rupees Five Lakhs Only) or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from public and consequently the directives issued by Reserve Bank of India and the provisions of section 58A and 58AA of the Act and rules framed there under are not applicable.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including income tax/sales tax/wealth tax/service tax/customs duty/ excise duty/cess and other material statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the arrears of outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date on which they became payable.  
  
(b) In our opinion and according to the information and explanations given to us and on verification of records, in respect of disputed amounts towards income-tax during the financial year 1997-98 search action was carried out by the income-tax authorities at the premises of the company u/s 132 of the Income tax Act, 1962 and assessment for the same was completed on 31.01.2000 thereby resulting in a demand of Rs. 48,30,381 /- on the company. As against the said demand the company has paid Rs. 41,07,093 /- The company disputed the demand raised by the Income-tax department and filed an appeal against the order before the Commissioner of Income-tax (Appeals) who has partly allowed it to the extent of Rs. 31,00,524 /-. The company, disputing the balance liability has gone in to appeal before Income-tax Appellate Tribunal, the order of which went in the favour of the company. Further, the department had gone into appeal before the high court and the matter is still pending before the said authority.
- (x) The company does not have any accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by the audit as against cash profit in the immediately preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to banks. The company did not avail of any facilities/ borrowings from financial institutions or debenture holders, therefore, the reporting on default in repayment of dues etc. to financial institutions or debenture holder does not arise.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, clause 4(xv) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loan from bank were applied for the purpose for which the loans were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, the funds raised during the year on short term basis have been used for long term investment and vice-versa.



- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, clause 4(xviii) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xix) The company has not issued any debentures. Therefore, clause 4(xix) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xx) The company has not raised any money by way of public issue during the year. Therefore, clause 4 of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, clause 4(xxii) of the Companies (Auditor's Report) Order, 2003, is not applicable to the company.

**FOR SARATH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn.No. 5120 S

Place : Mumbai.  
Date : 30.05.2012

**CA. R. LAKSHMI RAO**  
PARTNER  
M.No. F-029081

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**AUDITORS CERTIFICATE ON CLAUSE 49 COMPLIANCE**

We have reviewed and examined the records concerning compliance of conditions of Corporate Governance by Cinevistaas Limited, as stipulated in Clause 49 of the Listing Agreement entered into, by the company, with the Stock Exchanges of India, for the Financial Year ended 31st March, 2012.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanation given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

**FOR SARATH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn.No. 5120 S

Place : Mumbai.  
Date : 30.05.2012

**CA. R. LAKSHMI RAO**  
PARTNER  
M.No. F-029081

## BALANCE SHEET AS AT 31.03.2012

Particulars	Note No.	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	1.1	114,872,950.00	114,872,950.00
Reserve and Surplus	1.2	1,522,039,795.15	1,521,919,493.88
Non-current liabilities			
Long-term borrowings	1.3	148,267,516.58	154,846,751.23
Deferred tax liabilities	1.4	54,134,842.45	53,582,982.45
Other long term liabilities		-	-
Long-term provisions		-	-
Current Liabilities			
Short-term borrowings	1.5	33,507,725.95	30,535,933.45
Trade payables	1.6	50,452,676.91	53,548,334.55
Other current liabilities	1.7	13,617,521.00	15,092,670.00
Short term provisions	1.8	52,923.00	85,986.00
Total		<b>1,936,945,951.04</b>	<b>1,944,485,101.56</b>
<b>ASSETS</b>			
Non-Current Assets			
Fixed Assets			
Tangible assets	1.9	1,220,746,818.60	1,213,344,600.55
Intangible assets	1.9	200,693,589.57	205,491,285.02
Non-current Investments	1.10	24,828,367.06	26,062,919.06
Deferred tax assets	1.11	88,159,470.02	88,159,470.02
Long-term loans and advances	1.12	37,551,779.37	37,544,767.37
Current Assets			
Inventories	1.13	163,328,626.67	163,453,085.04
Trade receivables	1.14	173,454,250.15	154,801,624.02
Cash and cash equivalents	1.15	354,071.60	8,161,106.75
Short term loans and advances	1.16	17,546,945.85	17,353,569.12
Other current assets	1.17	10,282,032.15	30,112,674.61
Total		<b>1,936,945,951.04</b>	<b>1,944,485,101.56</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**FOR SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn.No.5120 S

**FOR AND ON BEHALF OF THE BOARD**

CA. R. Lakshmi Rao  
(Partner)  
M.NO. F-029081

PREM KRISHEN MALHOTRA  
( Chairman )

SUNIL MEHTA  
(Managing Director)

Place: Mumbai  
Date: 30.05.2012

SULOCHANA TALREJA  
(Director)

KILPA SHAH  
( Company Secretary)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note No.	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
<b>Income:</b>			
Revenue from operations	2.1	360,260,185.00	349,429,728.00
Other Income	2.2	1,555,284.37	8,141,113.55
<b>Total Revenue</b>		<b>361,815,469.37</b>	<b>357,570,841.55</b>
<b>Expenses:</b>			
Cost of Production	2.3	265,434,403.21	283,388,659.63
Employee benefit expense	2.4	12,788,441.00	14,840,637.00
Finance costs	2.5	31,210,940.56	25,169,957.94
Depreciation and amortisation expenses	2.6	16,654,838.00	17,394,488.00
Other expenses	2.7	34,222,594.33	39,442,687.97
<b>Total Expenses</b>		<b>360,311,217.10</b>	<b>380,236,430.54</b>
Profit before Tax		1,504,252.27	(22,665,588.99)
Tax expenses:			
Deferred Tax		(551,860.00)	89,979.00
Income Tax Earlier Years		(778,979.00)	(7,351,263.25)
Wealth Tax		(53,112.00)	(85,986.00)
Prior Period Expense		-	(36,900.00)
Wealth Tax written off		-	28,259.00
Profit for the year		120,301.27	(30,021,500.24)
Earning per equity share (Face value Re.2)-Basic and Diluted (in Rs.)		0.002	0.000

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

This is the Statement of Profit & Loss referred to in our report of even date.

## FOR SARATH &amp; ASSOCIATES

Chartered Accountants  
Firm Regn.No.5120 S

CA. R. Lakshmi Rao  
(Partner)  
M.NO. F-029081

Place: Mumbai  
Date: 30.05.2012

## FOR AND ON BEHALF OF THE BOARD

PREM KRISHEN MALHOTRA  
( Chairman )

SULOCHANA TALREJA  
(Director)

SUNIL MEHTA  
(Managing Director)

KILPA SHAH  
( Company Secretary)

Particulars	Cash flow statement for the year ended March 31, 2012	
	31.03.2012 (Rupees in '000)	31.03.2011 (Rupees in '000)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax and extra ordinary items	120.30	(30,021.50)
<b>Adjustments :</b>		
Deferred Tax Liability	(551.86)	89.98
Depreciation	16,654.84	17,394.49
Miscellaneous Income (includes late delivery charges refund and other misc. receipts)	(23.24)	(1,708.70)
Profit on sale of equipments	-	(1.50)
Interest Expenses	-	-
Interest expenses & Interest on bank O/D	30,507.04	23,974.14
Interest income	(10.74)	(581.74)
Provision for Wealth Tax	53.11	85.99
Sundry Debtors & Advance W/off	4,660.11	685.16
Interest on Income Tax refund	(990.58)	(4,450.46)
Interest on security Deposits	(48.57)	(10.81)
Loss on Income Tax Assessments	778.98	7,351.26
Sundry Creditors Written Off	(343.87)	(1,056.84)
Advance W/off	-	-
Loss on Sale of Fixed Assets	3.09	24.19
Wealth Tax W/off	-	(28.26)
Exchange Rate Fluctuation Loss	(39.11)	(7.91)
Dividend Received	(26.63)	(26.67)
	<u>50,622.57</u>	<u>41,732.32</u>
Operating Profit before working capital changes	50,742.87	11,710.82
Adjustments for working capital changes		
Inventories	124.46	48,188.09
Trade & Other Receivables	3,064.25	45,257.37
Trade Payable & Other Liabilities	(5,116.13)	2,757.99
Cash generated from Operations	(1,927.43)	96,203.45
Direct Taxes Paid	(5,272.11)	(2,423.61)
Net Cash flow From Operating Activities	43,543.33	105,490.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(24,603.44)	(108,433.97)
Interest income	10.74	581.74
Sale of Fixed Assets	5.00	1,025.00
FD Receipts Mature	7,923.27	-
Loss on Sale of Fixed Assets	(3.09)	(24.19)
Purchase of Shares	-	(28.63)
Loss on Sale of Shares	(865.89)	-
Dividend Received	26.63	26.67
Net Cash used in Investing Activities	(17,506.80)	(106,853.38)

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Interest Expenses	(30,507.04)	(23,974.14)
Loss on Income Tax Assessments	(778.98)	(7,351.26)
Interest on Income Tax refund	990.58	4,450.46
Interest on security Deposits	48.57	10.81
Interest Income	10.74	581.74
Interest on bank O/D	-	-
Long term Borrowings	(6,579.23)	7,589.50
Short Term Borrowings	2,971.79	(56.51)
	<u>                    </u>	<u>                    </u>
Cash used in Financing Activities	(33,843.57)	(18,749.41)
<u>Net Increase/(decrease) in cash and cash equivalents</u>		
(A) + (B) + (C)	(7,807.04)	(20,112.14)
Cash & Cash Equivalents as on 01.04.2011	8,161.11	28,273.25
Cash & Cash Equivalents as on 31.03.2012	<u>354.07</u>	<u>8,161.11</u>

**For & on Behalf of the Board**

**PREM KRISHEN MALHOTRA**  
(Chairman )

**SUNIL MEHTA**  
(Managing Director)

**SULOCHANA TALREJA**  
(Director)

**KILPA SHAH**  
(Company Secretary)

**PLACE : MUMBAI**  
**DATE : 30.05.2012**

We have examined the attached cash flow statement of M/s Cinevistaas Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of listing agreements of the various Stock Exchanges and is based on and is in agreement with the corresponding Statement of Profit & Loss and Balance Sheet of the Company covered by our report of even date to the members of the Company.

This is the Cash Flow Statement referred to in our report of even date.

**FOR SARATH & ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn.No.5120 S**

**CA. R. Lakshmi Rao**  
(Partner)  
**M.No.F-029081**

**Place: Mumbai**  
**Date: 30.05.2012**

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012.**

**1. ACCOUNTING CONVENTION:**

1.1 The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, with revenues recognized and expenses accounted on accrual basis unless otherwise stated. Dividend on investments is accounted for on cash basis.

1.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current- non current classification of assets and liabilities.

**1.3 Use of estimates:**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

**1.4 Fixed Assets :**

- (a) Tangible assets are stated at cost less depreciation. Costs include cost incidental to and / or installation expenses incurred in putting the assets for its intended use.
- (b) Intangible assets acquired are measured on initial recognition at cost.

**1.5 Depreciation /Amortization**

Company provides for depreciation/amortization on the Fixed Assets at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 on written down value method on a prorate basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation/amortization is provided till the month of sale or disposal off assets.

**1.6 Investments:**

Non-current investments are stated at cost.

**1.7 Inventories :**

- (a) U-Matic Cassettes

Inventories of u-matic cassettes are valued at "weighted average cost" as permissible under the Accounting Standard 2 (AS-2) "Valuation Of Inventories " issued by the Council of The Institute Of Chartered Accountants Of India.

- (b) Work-in-progress:

Under production cost of serials, ad-films etc. are valued at "cost"

**1.8 Contingent Liabilities :**

Contingent liabilities in respect of show cause notices received from govt. authorities are considered only when they are converted into demands.

**1.9 Foreign Currency Transactions :**

Foreign Currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Foreign Currency receivables and payables are valued at the closing price at the year end in accordance with the Accounting Standard 11 (AS 11) Foreign Currency Transactions issued by the Institute of Chartered Accountants of India. Gains and losses on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss.

**1.10 Revenue Recognition:**

Realizations in respect of serials are shown at gross.

In respect of serials, income is recognised in the Statement of Profit and Loss as and when the relevant programme or the episode is telecast.

In respect of export of serials, income is recognised in Statement of Profit & Loss only when the relevant serials are delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights of programme have been transferred to the buyers.

In respect of Ad Films, income is recognised when the completed commercial cassettes is delivered to the buyer.

In respect of released feature films income is recognised as and when the right to receive the amount is established.

**1.11 Deferred Revenue Expenses:**

Production cost of T.V. Serial's telecast is deferred, wherever ownership and other copyrights are with the company. This deferred expenditure is written off over the estimated useful life of T. V. Serials as estimated by the management.

From the deferred Revenue Expenditure, Production Cost of Serials, the Production / Telecast of which has been discontinued are transferred to Intangible Assets under the head 'Software'. No depreciation has been charged on software.

For the purpose of taxation the Production Cost are treated as revenue expenses, as per the legal opinion obtained by the company.

**1.12 Deferred tax:**

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets pertaining to unabsorbed depreciation and carry forward losses are recognized only to the extent there is a virtual certainty of which realization.

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	31.03.2012 (Rupees)	31.03.2011 (Rupees)
<b>1.1 SHARE CAPITAL :</b>		
<b>Authorised Capital :</b>		
10,00,00,000 Equity Shares of Face Value of Rs.2 /- Each (Authorised Capital has been raised from 120,00,000 to 10,00,00,000 Face value has been reduced from Rs 10/- to Rs 2/- per share )	200,000,000.00	200,000,000.00
<b>Issued, Subscribed &amp; Fully Paid Up :</b>		
5,74,36,475 Equity shares of Rs 2/- each fully Paid Up	114,872,950.00	114,872,950.00
	<b>114,872,950.00</b>	<b>114,872,950.00</b>
Notes:		
1. Shareholders holding more than 5% of the total share capital		
Pamma Mehta holds 94,90,355 ( 2011: 94,90,355) Equity shares of Re.2/- each aggregating to 16.52% (2011: 16.52%)		
Premkrishen Malhotra holds 93,16,355 ( 2011: 93,16,355) Equity shares of Re.2/- each aggregating to 16.22% (2011: 16.22%)		
Sunil Mehta holds 90,09,315 ( 2011: 90,09,315) Equity shares of Re.2/- each aggregating to 15.69% (2011: 15.69%)		
Sunita P Malhotra holds 51,65,135 ( 2011: 51,65,135) Equity shares of Re.2/- each aggregating to 8.99% (2011: 8.99%)		
<b>1.2 RESERVES &amp; SURPLUS :</b>		
<b>(a) Securities Premium :</b>		
On 25,24,200 Shares @ 290 /- each	732,018,000.00	
On 67,68,975 shares @ 2.70/- each	18,276,232.50	
Capital Reserves on Forefeiture & Reissue of 9300 Shares -Note1	515,100.00	
	750,809,332.50	750,809,332.50
<b>(b) Deficit balance in statement of Profit &amp; Loss :</b>		
Balance at the beginning of the year	(187,297,772.62)	
<b>Add :</b> Current year profit	120,301.27	(187,177,471.35)
		(187,297,772.62)
<b>(c ) Revaluation Reserve:</b>		958,407,934.00
<b>TOTAL</b>	<b>1,522,039,795.15</b>	<b>1,521,919,493.88</b>
<b>Note-1</b>		
Capital reserve created on 9300 Equity shares forfeited and reissued @ 57/- per share for security premium and Rs 10/- per Equity share capital balance allotment money recd on 100 Equity shares (Net).		
<b>1.3 NON-CURRENT LIABILITIES- LONG TERM BORROWINGS :</b>		
(Secured)		
1. Bank Overdraft with Central Bank of India, Worli, Mumbai-400018		
(a) A/c No. 1319515537	107,806,132.23	106,291,134.81
(Secured by hypothecation of receivables and with collateral security of Office Premises & Other Assets) {Further secured by the personal guarantees of Mr. Premkrishen Malhotra & Mr. Sunil Mehta(Directors)		
(b) A/c No.1319515526	4,913,291.14	8,643,445.10
(Secured against Fixed Deposits)		
2. Term Loan with Central Bank of India, Worli, Mumbai-400018		
(a)Term Loan-1319515333	2,029,345.00	6,193,963.00
(b)Term Loan-3081747296	30,409,980.00	30,393,479.00
(Secured against hypothecation of machinery/equipment,collateral security of office premises and other assets.(Further secured by the personal guarantees of Mr Premkrishen Malhotra and Mr Sunil Mehta ( Directors) corporate guarantee of the company and it's group companies)		
(3) HDFC Bank ( Auto Loan)	472,539.28	1,336,695.06
(4) Reliance Capital Limited ( Auto Loan)	2,636,228.93	976,405.61
(5) Tata Capital Ltd ( Auto Loan )	-	1,011,628.65
<b>TOTAL</b>	<b>148,267,516.58</b>	<b>154,846,751.23</b>



**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>1.4 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES :</b>		
Opening Balance	53,582,982.45	
Add: Created During the Year	551,860.00	53,582,982.45
	<u>54,134,842.45</u>	<u>53,582,982.45</u>
<b>1.5 CURRENT LIABILITIES- SHORT TERM BORROWINGS :</b>		
Unsecured		
(a) From Directors	7,274,976.37	6,066,723.15
(b) From others	26,232,749.58	24,469,210.30
<b>TOTAL</b>	<b><u>33,507,725.95</u></b>	<b><u>30,535,933.45</u></b>
<b>1.6 CURRENT LIABILITIES- TRADES PAYABLE</b>		
Sundry Creditors	50,452,676.91	53,548,334.55
	<u>50,452,676.91</u>	<u>53,548,334.55</u>
<b>1.7 CURRENT LIABILITIES- OTHER CURRENT LIABILITIES</b>		
Other Payables *	13,617,521.00	15,092,670.00
	<u>13,617,521.00</u>	<u>15,092,670.00</u>
* Includes Statutory dues (VAT, Service Tax, TDS, Etc)		
<b>1.8 CURRENT LIABILITIES- SHORT TERM PROVISIONS</b>		
Provison for Wealth-Tax	52,923.00	85,986.00
	<u>52,923.00</u>	<u>85,986.00</u>
<b>1.10 NON CURRENT ASSETS- NON CURRENT INVESTMENTS :</b>		
<b>A) In Equity shares of Subsidiary Companies- unquoted Fully paid up (At cost)</b>		
(1) Investments in subsidiary companies -Non Trade -Unquoted		
(a) Cinevista Eagle Plus Media Pvt. Ltd. ( 548365 Equity shares of Rs.10/-each fully paid up)	5,483,650.00	5,483,650.00
(b) Cinevista Studios Pvt. Ltd. ( 49990 Equity shares of Rs.10/-each fully paid up)	499,900.00	499,900.00
(c) Video Vista Inc. ( 353 Equity shares of \$ 1000/-each fully paid up)	16,679,250.00	16,679,250.00
<b>B) Trade Investments</b>		
<b>In Equity shares- Quoted Fully paid up (At cost)</b>		
(a) Silverline Technologies Ltd ( 2000 Equity shares of Rs. 1/- each fully paid up) (Market Value Rs. 4,260/-)	304,429.06	304,429.06
(b) Zee Entertainment Enterprises Ltd (Formerly known as Zee Entertainment Ltd.) ( 13,314 Equity shares of Rs 1/- each fully paid up of the above 1,447 equity shares allotted as on 28.04.2010 on merger with Zee News Ltd & 6,657 bonus equity shares allotted as on 17.11.2010 ) (Market Value Rs.N.A.)	-	2,072,789.00
<b>C) Investment in other companies- Non Trade-Unquoted (At cost)</b>		
(a) Heritage Productions Pvt.Ltd. Formerly known as Dynamic Fusion Private Limited ( 25100 Equity shares of Rs 10/- each fully paid up)	251,000.00	251,000.00
(b) Wire & Wireless ( India ) Ltd ( 5490 Equity shares of Rs 1/- each fully paid up)	-	771,901.00
D) Heena inc ( Joint Venture Business- 50% share )	1,610,138.00	-
	<b><u>24,828,367.06</u></b>	<b><u>26,062,919.06</u></b>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1.9 NON-CURRENT ASSETS- TANGIBLE ASSETS AND INTANGIBLE ASSETS**

Description Of Assets	Rate Of Dep	Gross Block			Depreciation / Amortisation			NET BLOCK			
		As At 01.04.2011	Additions during the Year	Deductions / Sale	As At 31.03.2012	As At 01.04.2011	For The Year	Deductions / Sale	As At 31.03.2012	As At 31.03.2012	AS AT 1.04.2011
<b>TANGIBLE ASSETS:</b>											
OFFICE PREMISES	5.00	41,365,851.00	-	-	41,365,851.00	6,087,463.00	665,288.00	-	6,752,751.00	34,613,100.00	35,278,388.00
FURNITURE	18.10	14,801,808.02	-	-	14,801,808.02	11,354,179.00	625,730.00	-	11,979,909.00	2,821,898.23	3,447,629.02
AIRCONDITIONER	13.91	10,858,175.40	85,785.20	-	10,943,960.60	6,811,500.00	568,917.00	-	7,380,417.00	3,563,543.60	4,046,675.40
COMPUTER	4.00	10,609,868.69	57,873.00	-	10,667,741.69	9,709,574.00	365,827.00	-	10,075,401.00	592,340.19	900,294.69
MOTOR CAR	25.80	38,689,140.28	-	878,700.00	37,810,440.28	27,132,338.00	2,926,647.00	332,313.00	29,726,672.00	8,083,768.28	11,556,802.28
LIGHT EQUIPMENTS	20.00	12,017,519.90	636,250.00	-	12,653,769.90	8,438,169.00	755,036.00	-	9,193,205.00	3,460,564.90	3,579,350.90
BOREWELL	13.91	44,388.00	-	-	44,388.00	13,822.00	4,264.00	-	18,086.00	26,302.00	30,566.00
CAMERA	20.00	21,355,990.00	5,057,557.00	-	26,413,547.00	16,892,407.00	1,391,750.00	-	18,284,157.00	8,129,389.24	4,463,583.00
FAX MACHINE	13.91	327,779.00	-	-	327,779.00	284,690.00	6,010.00	-	290,700.00	37,079.00	43,089.00
OFFICE EQUIPMENTS	13.91	2,091,365.76	93,000.00	-	2,184,365.76	1,333,267.00	113,654.00	-	1,446,921.00	737,444.95	758,098.76
ELECTRICAL FITTINGS	13.91	1,701,388.77	142,900.35	-	1,844,289.12	496,556.00	177,503.00	-	674,059.00	1,170,230.12	1,204,832.77
EQUIPMENTS	20.00	58,479,807.52	1,937,655.00	-	60,417,462.52	46,586,467.00	2,572,848.00	-	49,159,315.00	11,258,147.52	11,893,340.52
TELEVISION	20.00	458,326.00	159,000.00	-	617,326.00	290,286.00	56,487.00	-	346,773.00	270,553.00	168,040.00
GENERATOR	20.00	2,841,702.00	-	-	2,841,702.00	1,062,824.00	356,750.00	-	1,419,574.00	1,422,128.00	1,776,878.00
LAND & BUILDING	5.00	1,061,215,175.15	-	-	1,061,215,175.15	22,116,173.00	-	-	22,116,173.00	1,039,099,002.15	1,039,099,002.15
SEWING MACHINE	13.91	25,779.00	-	-	25,779.00	12,106.00	1,906.00	-	14,012.00	11,767.00	13,673.00
SET	5.00	108,851,835.50	16,309,023.50	-	125,160,859.00	24,336,256.00	4,586,419.00	-	28,922,675.00	96,238,184.86	84,515,579.50
KITCHEN ACCESSORIES	13.91	48,690.00	-	-	48,690.00	7,171.00	5,792.00	-	12,963.00	35,727.00	41,519.00
COSTUMES	13.91	7,888,903.50	-	-	7,888,903.50	4,988,904.00	408,680.00	-	5,367,584.00	2,521,319.50	2,929,999.50
PLANT A/C	13.91	8,321,838.06	124,400.00	-	8,446,238.06	773,878.00	1,058,735.00	-	1,832,613.00	6,613,625.06	7,547,960.06
VACUUM CLEANER	13.91	54,675.00	-	-	54,675.00	7,376.00	6,595.00	-	13,971.00	40,704.00	47,299.00
<b>Sub-Total (A)</b>		<b>1,402,050,006.55</b>	<b>24,603,444.05</b>	<b>878,700.00</b>	<b>1,425,774,750.60</b>	<b>188,705,406.00</b>	<b>16,654,838.00</b>	<b>332,313.00</b>	<b>205,027,931.00</b>	<b>1,220,746,818.60</b>	<b>1,213,344,600.55</b>
<b>INTANGIBLE ASSETS :</b>											
SOFTWARE	-	205,491,285.02	-	4,797,695.45	200,693,589.57	-	-	-	-	200,693,589.57	205,491,285.02
<b>Sub-Total (B)</b>		<b>205,491,285.02</b>	<b>-</b>	<b>4,797,695.45</b>	<b>200,693,589.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,693,589.57</b>	<b>205,491,285.02</b>
<b>Total (A) + (B)</b>		<b>1,607,541,291.57</b>	<b>24,603,444.05</b>	<b>5,676,395.45</b>	<b>1,626,468,339.17</b>	<b>188,705,406.00</b>	<b>16,654,838.00</b>	<b>332,313.00</b>	<b>205,027,931.00</b>	<b>1,421,440,408.17</b>	<b>1,418,835,885.57</b>
Previous Year		<b>1,507,911,042.57</b>	<b>108,433,972.00</b>	<b>8,803,723.00</b>	<b>1,607,541,291.57</b>	<b>179,094,064.00</b>	<b>17,394,488.00</b>	<b>7,783,146.00</b>	<b>188,705,406.00</b>	<b>1,418,835,885.57</b>	<b>1,328,816,978.57</b>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>1.11 NON CURRENT ASSETS- DEFERRED TAX ASSETS :</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Deferred Tax Asset</b>		
Opening Balance	88,159,470.02	
Less: Deferred tax asset written back	-	88,159,470.02
	<u>88,159,470.02</u>	<u>88,159,470.02</u>
<b>1.12 NON CURRENT ASSETS- LONG TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
<b>Loans and Advances in the nature of Loans given to Subsidiaries &amp; Associates</b>		
<b>Sr No:</b>	<b>Name of the Company</b>	
1.	Cinevista Eagle Plus Media Pvt Ltd	Subsidiary Company
		13,671,198.00
2.	Cinevista Studios Pvt Ltd	Subsidiary Company
		16,507,858.00
3.	Heritage Productions Pvt Ltd	Business Associate
		7,372,723.37
		<u>37,551,779.37</u>
		<u>37,544,767.37</u>
<b>1.13 CURRENT ASSETS- INVENTORIES :</b>		
(a) Stock in trade- (At cost)	269,500.00	
(b) Work in progress (Underproduction Programmes)	126,521,166.54	
(c) Special Purpose Vehicle	36,537,960.13	163,328,626.67
		<u>163,328,626.67</u>
		<u>163,453,085.04</u>
<b>1.14 CURRENT ASSETS- TRADE RECEIVABLES :</b>		
(Unsecured Considered Good)		
Outstanding for the period exceeding six months from the date they are due for payment.	98,635,008.22	
Others	74,819,241.93	173,454,250.15
		<u>173,454,250.15</u>
		<u>154,801,624.02</u>
<b>1.15 CURRENT ASSETS - CASH AND CASH EQUIVALENTS :</b>		
Balance with Banks	95,524.05	127,094.00
Fixed Deposit with Banks	-	7,923,267.00
Cash on hand	258,547.55	110,745.75
	<u>354,071.60</u>	<u>8,161,106.75</u>
<b>1.16 CURRENT ASSETS- SHORT TERM LOANS AND ADVANCES :</b>		
(Unsecured Considered Good)		
Service Tax Credit (adjustable against the liability)	621,713.31	980,290.50
Deposits	4,279,867.00	4,771,301.00
Other Loans and Advances #	12,645,365.54	11,601,977.62
	<u>17,546,945.85</u>	<u>17,353,569.12</u>
# includes loan to employees		
<b>1.17 CURRENT ASSETS- OTHER CURRENT ASSETS :</b>		
Tax Deducted at source	9,743,738.15	30,112,674.61
Future Generali Insurance Ltd (Vehicle insurance claim receivable)	538,294.00	-
	<u>10,282,032.15</u>	<u>30,112,674.61</u>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b><u>2.1 REVENUE FROM OPERATIONS</u></b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Serials	296,039,289.00	297,450,170.00
Service Tax Realised	36,433,643.00	34,233,051.00
Income from Medical Transcription	5,283,255.00	6,931,323.00
Technical Service charges	22,063,001.00	8,995,184.00
Telecast Fees	-	1,820,000.00
Income from You Tube	440,997.00	-
	<b>360,260,185.00</b>	<b>349,429,728.00</b>

**2.2 OTHER INCOME:**

Dividend on Shares	26,628.00	26,675.34
Interest Income	1,049,888.60	5,079,905.00
Advance receipt written off	-	60,000.00
Discount received	1,165.00	132,994.64
Hire charges	71,379.00	41,589.00
Miscellaneous income	23,240.00	1,708,697.00
Sundry Creditors written off	343,873.77	1,056,840.57
Foreign exchange fluctuation	39,110.00	7,911.00
Other technical charges	-	25,000.00
Profit on sale of equipment	-	1,501.00
	<b>1,555,284.37</b>	<b>8,141,113.55</b>

**2.3 OPERATIONAL COST :**

Serials	207,671,301.88	222,095,946.63
Telecast charges	17,056,000.00	20,904,000.00
Medical Transcription Expenses	4,273,458.33	6,155,662.00
Service Tax	36,433,643.00	34,233,051.00
	<b>265,434,403.21</b>	<b>283,388,659.63</b>

**2.4 EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	12,777,575.00	14,834,931.00
Staff Welfare Exps	10,866.00	5,706.00
	<b>12,788,441.00</b>	<b>14,840,637.00</b>

**2.5 FINANCE COSTS**

Interest Expenses	30,507,042.04	23,974,133.46
Bank charges	703,898.52	1,195,824.48
	<b>31,210,940.56</b>	<b>25,169,957.94</b>

**2.6 Depreciation and Amortisation Expenses**

Depreciation on tangible assets	16,654,838.00	17,394,488.00
	<b>16,654,838.00</b>	<b>17,394,488.00</b>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>2.7 Other Expenses :</b>	<b>31.03.2012</b>		<b>31.03.2011</b>	
	<b>(Rupees)</b>		<b>(Rupees)</b>	
<b>2.7.1 Selling and Distribution Expenses</b>				
Advertisement & Publicity	457,796.11		759,144.28	
Brokerage & Commission	333,333.00		40,000.00	
Business Promotion expenses	<u>1,213,156.72</u>	2,004,285.83	<u>2,262,774.80</u>	3,061,919.08
<b>2.7.2 Establishment and Other Sundry Expenses</b>				
A.G.M. Expenses	347,158.00		444,431.00	
Custodial Fees	-		96,184.00	
Directors Sitting Fees	40,500.00		75,000.00	
Electricity Expenses	9,441,088.34		7,030,263.41	
Freight & Courier	51,963.86		70,944.50	
General Expenses	2,401,387.27		4,657,487.93	
Hand Carry Charges	900,000.00		-	
Insurance Expenses	442,833.00		603,903.93	
Late Delivery charges	63,900.00		3,350,500.00	
Loss on Sale of Fixed Assets	3,093.00		24,190.00	
Loss on sale of Shares	865,890.17		-	
Motorcar Expenses	2,488,724.26		2,759,225.30	
Printing & Stationary	421,294.00		579,206.50	
Professional Charges	809,988.00		2,171,673.26	
Rent, Rates & Taxes	349,285.00		302,914.00	
Repairs & Maintenance	2,953,459.42		4,122,261.52	
Research & Development Expenses	4,802,376.76		6,426,224.00	
Sundry Debtors & Advances Written Off	3,760,106.00		745,160.00	
Security Charges	1,065,151.99		865,050.61	
Telephone Expenses	358,384.43		1,074,272.99	
Travelling & Conveyance	481,725.00		811,875.94	
<b>Auditor's Remuneration</b>				
Audit Fees	60,000.00		60,000.00	
Tax Audit Fees	60,000.00		60,000.00	
Internal Audit Fees	<u>50,000.00</u>	32,218,308.50	<u>50,000.00</u>	36,380,768.89
<b>Total</b>		<b><u>34,222,594.33</u></b>		<b><u>39,442,687.97</u></b>

**3. Other financial information:**
**3.1 Foreign currency transactions**

	Year Ended March 31, 2012 (Rupees)	Year Ended March 31, 2011 (Rupees)
3.1.1 Expenditure incurred in Foreign Currency:	—	—
3.1.2 Earnings in foreign currency:		
Earnings in Medical Transcription	52,83,255	69,31,323
3.2 Auditors' Remuneration:		
Audit Fees	90,000	60,000
Tax Audit Fees	30,000	60,000

**3.3 Cost of Production:**

Estimation of cost of serials 'under production' being of technical nature, cannot be verified by the Auditors and have been taken as certified by the Management of the Company.

3.4 During the financial year 1997-98 search action was carried out by the income-tax authorities at the premises of the company u/s.132 of the Income Tax Act, 1962 and assessment for the same was completed on 31-01-2000 thereby resulting in a demand of Rs.48,30,381/- on the company. As against the said demand the company has paid Rs.41,07,093/-. The company disputed the demand raised by the Income-Tax department and filed an appeal against the order before the Commissioner of Income-Tax (Appeals) who has partly allowed it to the extent of Rs.31,00,524/-. The company disputing the balance liability has gone in to appeal before Income-Tax Appellate Tribunal, the order of which went in the favour of the company. Further the department had gone into appeal before the High Court and the matter is still pending before the said authority.

**3.5 Earnings Per Share:**

Profit/(loss) after taxation as per Statement of Profit and Loss	1,20,301.27	(3,00,21,500.24)
Total number of equity shares:	57436475	57436475
Basic and diluted earnings per share (face value Rs.2/- (in Rs.))	0.002	0.00

**3.6 Segment reporting:**

There is only one primary reportable business segment viz. production of serials, films, ad films, the disclosure requirement of accounting standard (AS-17) on segment reporting is not provided.

**3.7 Related Party Disclosure:**

	Transactions during the Year ended March, 2012	Year ended March, 2011
1. Other Expenditure:		
(a) Sunita Malhotra	19,80,000	19,80,000
(b) Pamma Mehta	19,80,000	19,80,000
(c) Siddharth Malhotra	45,92,000	39,07,500
(d) Sulochana Talreja	63,500	28,500
(e) Renu Anand	13,500	15,000
(f) Niranjan Shivdasani	12,000	22,500
(g) Talat Aziz	1,500	9,000
2. Remuneration paid to key Management personal:		
(a) Sunil Mehta	25,20,000	24,60,000
(b) Premkrishen Malhotra	25,20,000	24,60,000
3. Loan Given to Subsidiary Companies:		
(a) Cinevista Studios Private Ltd.	2,75,000	—

4.	Loan given to Associates:		
(a)	Sat-Tel Communications	5,09,705	—
5.	Loan received:		
(a)	Dr.V.T.Mehta	—	10,07,000
6.	Loan Repaid:		
(a)	Mahesh Mehta	—	17,90,000
		Year ended March, 2012	Year ended March, 2011
7.	Joint Ventures:		
(a)	Heena Inc.	16,10,138	—
8.	Balance as on March 31:		
(a)	Debtors: Videovista Inc	6,88,253	4,14,264
3.8	<b>Disclosures as required by clause 32 of the listing agreement:</b>		
	Loans and Advances given to subsidiaries:		
(a)	Cinevista Studios Pvt.Ltd.	1,65,07,858	1,65,06,858
	(Maximum outstanding during the year)	1,65,07,858	1,67,81,858
(b)	Cinevista Eagle Plus Media-Private Limited.	1,36,71,198	1,36,65,786
	(Maximum outstanding during the year)	1,36,71,198	1,36,65,786

**3.9 Disclosures in respect of Joint Venture:**

Name of Joint Venture	Nature of Business	Proportion of Ownership	Country of Incorporation	Investment
Heena Inc.	Production of Feature Film "Andhaa Kanoon" (in Bhojpuri language)	50%	Mumbai, India	16,10,138 (Last Year – NIL)

3.10 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current- non current classification of assets and liabilities.

Signatures to the statement of Significant Accounting Policies and Notes to the Financial Statement.

**As Per Our Report Of Even Date  
FOR SARATH & ASSOCIATES  
Chartered Accountants  
Firm Regn.No.5120 S**

**FOR AND ON BEHALF OF THE BOARD**

**CA. R. Lakshmi Rao  
(Partner)  
M.NO. F-029081**

**PREM KRISHEN MALHOTRA  
( Chairman )**

**SUNIL MEHTA  
(Managing Director)**

**Place: Mumbai  
Date: 30.05.2012**

**SULOCHANA TALREJA  
(Director)**

**KILPA SHAH  
(Company Secretary)**

**AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CINEVISTAAS LIMITED AND ITS SUBSIDIARIES TO THE BOARD OF DIRECTORS OF CINEVISTAAS LIMITED**

We have audited the attached Consolidated Balance Sheet of Cinevistaas Limited and its subsidiaries as at 31<sup>st</sup> March, 2012 and the annexed Consolidated Statement of Profit and Loss of the Company for the year ended on that date attached thereto, and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, on the basis of individual financial statements of the Cinevistaas Limited and its subsidiary companies included in the consolidated financial statements.

In our opinion, based on our audit, the consolidated financial statements referred to above give a true and fair view of the financial position of Cinevistaas Limited and its subsidiary companies as at March 31, 2012 and the results of the operation and consolidated cash flows for the year then ended in conformity with generally accepted accountings principles in India.

**FOR SARATH & ASSOCIATES  
Chartered Accountants  
Firm No. 5120 S**

**Place : Mumbai.  
Date : 30.05.2012**

**CA. R. LAKSHMI RAO  
PARTNER  
M.No. F-029081**



## CONSOLIDATED BALANCE SHEET AS AT 31.03.2012

Particulars	Note No.	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	1.1	114,872,950.00	114,872,950.00
Reserve and Surplus	1.2	1,488,893,320.74	1,490,656,164.50
Non-current liabilities			
Long-term borrowings	1.3	148,267,516.58	154,846,751.23
Deferred tax liabilities	1.4	54,135,584.00	53,583,724.00
Other long term liabilities		-	-
Long-term provisions		-	-
Current Liabilities			
Short-term borrowings	1.5	41,480,343.35	30,535,933.45
Trade payables	1.6	52,614,982.91	55,710,640.00
Other current liabilities	1.7	13,625,474.00	20,509,698.00
Short term provisions	1.8	52,923.00	85,986.00
Total		<b>1,913,943,094.58</b>	<b>1,920,801,847.18</b>
<b>II ASSETS</b>			
Non-Current Assets			
Fixed Assets			
Tangible assets	1.9	1,224,917,138.36	1,217,767,506.59
Intangible assets	1.9	200,693,589.63	205,491,285.08
Goodwill		23,295,680.00	23,295,680.00
Non-current Investments	1.10	2,165,567.06	3,400,119.06
Deferred tax assets	1.11	88,159,470.02	88,159,470.02
Long-term loans and advances		-	-
Other non-current assets	1.12	22,983.00	22,983.00
Current Assets			
Current Investments			
Inventories	1.13	163,328,626.67	163,453,085.04
Trade receivables	1.14	173,454,250.15	154,801,624.02
Cash and cash equivalents	1.15	2,704,089.60	9,571,727.00
Short term loans and advances	1.16	24,919,667.94	24,725,692.76
Other current assets	1.17	10,282,032.15	30,112,674.61
Total		<b>1,913,943,094.58</b>	<b>1,920,801,847.18</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**FOR SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn.No.5120 S

CA. R. Lakshmi Rao  
(Partner)

M.NO. F-029081

Place: Mumbai

Date: 30.05.2012

**FOR AND ON BEHALF OF THE BOARD**PREM KRISHEN MALHOTRA  
( Chairman )SULOCHANA TALREJA  
(Director)SUNIL MEHTA  
(Managing Director)KILPA SHAH  
( Company Secretary)

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012**

Particulars	Note No.	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
Income:			
Revenue from operations	2.1	373,598,999.17	368,467,782.00
Other Income	2.2	1,555,284.37	8,248,901.00
<b>Total Revenue</b>		<b>375,154,283.54</b>	<b>376,716,683.00</b>
Expenses:			
Cost of Production	2.3	273,748,520.89	294,287,223.63
Employee benefit expense	2.4	13,957,961.00	15,380,391.00
Finance costs	2.5	31,323,661.75	25,273,023.52
Depreciation and amortisation expenses	2.6	16,907,425.28	17,769,078.00
Other expenses	2.7	39,595,607.38	44,620,611.04
<b>Total Expenses</b>		<b>375,533,176.30</b>	<b>397,330,327.19</b>
Profit before tax		(378,892.76)	(20,613,644.19)
Tax expenses:			
Deferred Tax		(551,860.00)	89,979.00
Income Tax Earlier Years		(778,979.00)	(7,351,263.25)
Wealth Tax		(53,112.00)	(85,986.00)
Prior Period Expense		-	(137,592.00)
Wealth Tax written off		-	28,259.00
Profit for the Year		(1,762,843.76)	(28,070,247.44)
Earning per equity share (Face value Re.2)-Basic and Diluted (in Rs.)		0.000	0.000

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

**FOR SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn.No.5120 S

CA. R. Lakshmi Rao  
(Partner)

M.NO. F-029081

Place: Mumbai

Date: 30.05.2012

**FOR AND ON BEHALF OF THE BOARD**

PREM KRISHEN MALHOTRA  
( Chairman )

SULOCHANA TALREJA  
(Director)

SUNIL MEHTA  
(Managing Director)

KILPA SHAH  
( Company Secretary)

## Cinevistaas Limited (Consolidated)

### Consolidated Cash flow statement for the year ended March 31, 2012

Particulars	31.03.2012 (Rupees in '000)	31.03.2011 (Rupees in '000)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit after Tax and extra ordinary items</b>		<b>(1,762.84)</b>	<b>(28,070.25)</b>
<b>Adjustments :</b>			
Deferred Tax Liability	(551.86)	89.98	
Depreciation	16,907.43	17,769.08	
Miscellaneous Income (includes late delivery charges refund and other misc. receipts)	(23.24)	(1,708.70)	
Profit on sale of equipments		(1.50)	
Interest Expenses & Interest on bank O/D	30,507.04	23,974.14	
Interest income	(10.74)	(581.74)	
Provision for Wealth Tax	53.11	85.99	
Wealth Tax Written Off	-	(28.26)	
Sundry Debtors W/off	4,660.11	685.16	
Sundry Creditors Written Off	(343.87)	(1,056.84)	
Interest on Income Tax Refund	(990.58)	(4,450.46)	
Interest on Security Deposit	(48.57)	(10.81)	
Loss on Income Tax Assessments	778.98	7,351.26	
Advance Receipt Written Off	-	-	
Loss on Sale of Fixed Assets	3.09	24.19	
Exchange Rate Fluctuation Loss	548.26	(115.56)	
Dividend Received	(26.63)	(26.67)	41,999.26
<b>Operating Profit before working capital changes</b>		<b>49,699.68</b>	<b>13,929.01</b>
<b>Adjustments for working capital changes</b>			
Inventories	124.46	48,188.09	
Trade & Other Receivables	2,532.37	46,773.55	
Trade Payable & Other Liabilities	(10,574.31)	(1,425.82)	<b>93,535.82</b>
<b>Cash generated from Operations</b>		<b>41,782.19</b>	<b>107,464.83</b>
Direct Taxes Paid		(5,272.11)	(2,423.61)
<b>Net Cash flow From Operating Activities</b>		<b>36,510.08</b>	<b>105,041.22</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(24,603.44)	(108,433.97)	
Sale of Fixed Assets	5.00	1,025.00	
Loss on Sale of Fixed Assets	(3.09)	(24.19)	
Loss on Sale of Shares	(865.89)	-	
Purchase of Shares	-	(28.63)	
FD Mature	7,923.27	-	
Interest income	10.74	581.74	
Dividend Received	26.63	26.67	
<b>Net Cash used in Investing Activities</b>		<b>(17,506.78)</b>	<b>(106,853.38)</b>

## Cinevistaas Limited (Consolidated)

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### C. CASH FLOW FROM FINANCING ACTIVITIES

Interest Expenses & Interest on Bank OD	(30,507.04)	(23,974.14)
Interest on Income Tax refund	990.58	4,450.46
Interest on Security Deposits	48.57	10.81
Interest Income	10.74	581.74
Loss on Income Tax Assessments	(778.98)	(7,351.26)
Long Term Borrowings	(6,579.23)	7,589.50
Short Term Borrowings	10,944.41	(56.51)

<b>Cash used in Financing Activities</b>	<b>(25,870.95)</b>	<b>(18,749.40)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		
(A) + (B) + (C)	(6,867.65)	(20,561.56)
Cash & Cash Equivalents as on 01.04.2011	9,571.73	30,133.29
Cash & Cash Equivalents as on 31.03.2012	<u>2,704.08</u>	<u>9,571.73</u>

PLACE : MUMBAI

DATE : 30.05.2012

We have examined the attached Cash Flow Statement of M/s Cinevistaas Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of listing agreements of the various Stock Exchanges and is based on and is in agreement with the corresponding Statement of Profit and Loss and the Balance Sheet of the Company covered by our report of even date to the members of the Company.

**FOR SARATH & ASSOCIATES**

**Chartered Accountants**  
**Firm Regn.No.5120 S**

**CA. R. Lakshmi Rao**  
**(Partner)**  
**M.NO. F-029081**  
**Place: Mumbai**  
**Date: 30.05.2012**

**FOR AND ON BEHALF OF THE BOARD**

**PREM KRISHEN MALHOTRA**  
**( Chairman )**

**SULOCHANA TALREJA**  
**(Director)**

**SUNIL MEHTA**  
**(Managing Director)**

**KILPA SHAH**  
**( Company Secretary)**

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>1.1 SHARE CAPITAL :</b>	<b>31.03.2012 (Rupees)</b>	<b>31.03.2011 (Rupees)</b>
<b>Authorised Capital :</b>		
10,00,00,000 Equity Shares of Face Value of Rs.2/- Each (Authorised Capital has been raised from 120,00,000 to 10,00,00,000 Face value has been reduced from Rs 10/- to Rs 2/- per share )	200,000,000.00	200,000,000.00
<b>Issued, Subscribed &amp; Fully Paid Up :</b>		
5,74,36,475 Equity shares of Rs 2/- each fully Paid Up	114,872,950.00	114,872,950.00
	<b>114,872,950.00</b>	<b>114,872,950.00</b>

Notes:

1. Shareholders holding more than 5% of the total share capital

Pamma Mehta holds 94,90,355 ( 2011: 94,90,355) Equity shares of Re.2/- each aggregating to 16.52% (2011: 16.52%)

Premkrishen Malhotra holds 93,16,355 ( 2011: 93,16,355) Equity shares of Re.2/- each aggregating to 16.22% (2011: 16.22%)

Sunil Mehta holds 90,09,315 ( 2011: 90,09,315) Equity shares of Re.2/- each aggregating to 15.69% (2011: 15.69%)

Sunita P Malhotra holds 51,65,135 ( 2011: 51,65,135) Equity shares of Re.2/- each aggregating to 8.99% (2011: 8.99%)

**1.2 RESERVES & SURPLUS :**

**(a) Securities Premium :**

On 25,24,200 Shares @ 290 /- each	732,018,000.00		
On 67,68,975 shares @ 2.70/- each	18,276,232.50		
Capital Reserves on Forfeiture & Reissue of 9300 Shares -Note1	515,100.00	750,809,332.50	750,809,332.50

**(b) Deficit balance in Statement of Profit & Loss :**

Balance at the beginning of the year	(218,561,102.00)		
<b>Add</b> : Current year Loss	(1,762,843.76)	(220,323,945.76)	(218,561,102.00)

**(c ) Revaluation Reserve:**

	958,407,934.00	958,407,934.00
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**TOTAL**

<b>1,488,893,320.74</b>	<b>1,490,656,164.50</b>
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Note-1

Capital reserve created on 9300 Equity shares forfeited and reissued

@ Rs. 57/- per share for security premium and Rs 10/- per Equity share capital  
balance allotment money recd on 100 Equity shares (Net).

**1.3 NON CURRENT LIABILITIES - LONG TERM BORROWINGS :**

**(Secured)**

1. Bank Overdraft with Central Bank of India, Worli, Mumbai-400018		
(a) A/c No. 131951537	107,806,132.23	106,291,134.81
(Secured by hypothecation of receivables and with collateral security of Office Premises & Other Assets) {Further secured by the personal guarantees of Mr. Premkrishen Malhotra & Mr. Sunil Mehta(Directors)}		
(b) A/c No. 305040-131951526	4,913,291.14	8,643,445.10
(Secured against Fixed Deposits)		
2. Term Loan with Central Bank of India, Worli, Mumbai-400018		
(a)Term Loan-1319515333	2,029,345.00	6,193,963.00
(b)Term Loan-3081747296	30,409,980.00	30,393,479.00
(Secured against hypothecation of machinery/equipment,collateral security of office premises and other assets.(Further secured by the personal gurantees of Mr Premkrishen Malhotra and Mr Sunil Mehta ( Directors) corporate guarantee of the company and it's group companies)		
(3) HDFC Bank ( Auto Loan)	472,539.28	1,336,695.06
(4) Reliance Capital Limited ( Auto Loan)	2,636,228.93	976,405.61
(5) Tata Capital Ltd ( Auto Loan )	-	1,011,628.65

**TOTAL**

<b>148,267,516.58</b>	<b>154,846,751.23</b>
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## Cinevistaas Limited (Consolidated)

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b><u>1.4 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES :</u></b>		
Opening Balance	53,583,724.00	
Add: Created During the Year	551,860.00	
	<u>54,135,584.00</u>	<u>53,583,724.00</u>
<b><u>1.5 CURRENT LIABILITIES- SHORT TERM BORROWINGS :</u></b>		
<b>Unsecured</b>		
(a) From Directors	7,274,976.37	6,066,723.15
(b) From others	34,205,366.98	24,469,210.30
<b>TOTAL</b>	<b><u>41,480,343.35</u></b>	<b><u>30,535,933.45</u></b>
<b><u>1.6 CURRENT LIABILITIES- TRADES PAYABLE</u></b>		
Sundry Creditors	52,614,982.91	55,710,640.00
<b><u>1.7 CURRENT LIABILITIES- OTHER CURRENT LIABILITIES</u></b>		
Other Payables *	13,625,474.00	20,509,698.00
* Includes Statutory dues (VAT, Service Tax, TDS, Etc)		
<b><u>1.8 CURRENT LIABILITIES- SHORT TERM PROVISIONS</u></b>		
Provison for Wealth Tax	52,923.00	85,986.00
<b><u>1.10 NON CURRENT ASSETS- NON CURRENT INVESTMENTS :</u></b>		
<b>(A) Trade Investments</b>		
<b>In Equity shares- Quoted Fully paid up (At cost)</b>		
(a) Silverline Technologies Ltd ( 2000 Equity shares of Rs. 1/- each fully paid up) (Market Value Rs. 4,260/-)	304,429.06	304,429.06
(b) Zee Entertainment Enterprises Ltd (Formerly known as Zee Entertainment Ltd.) ( 13,314 Equity shares of Rs 1/- each fully paid up of the above 1,447 equity shares allotted as on 28.04.2010 on merger with Zee News Ltd & 6,657 bonus equity shares allotted as on 17.11.2010 ) (Market Value Rs.N.A )	-	2,072,789.00
<b>(B) Investment in other companies- Non Trade-Unquoted (At cost)</b>		
(a) Heritage Productions Pvt.Ltd. Formerly known as Dynamic Fusion Private Limited ( 25100 Equity shares of Rs 10/- each fully paid up)	251,000.00	251,000.00
(b) Wire & Wireless ( India ) Ltd ( 5490 Equity shares of Rs 1/- each fully paid up)	-	771,901.00
C) Heena inc.( Joint Venture Business- 50% Share)	1,610,138.00	-
	<b><u>2,165,567.06</u></b>	<b><u>3,400,119.06</u></b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**1.9 NON-CURRENT ASSETS- TANGIBLE ASSETS AND INTANGIBLE ASSETS**

DESCRIPTION OF ASSETS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2011	ADDITIONS DURING THE YEAR	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	DEDUCTIONS/ SALE	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 01.04.2011
<b>TANGIBLE ASSETS:</b>										
OFFICE PREMISES	5.00	41,365,851.00	-	41,365,851.00	6,087,463.00	665,288	-	6,752,751.00	34,613,100	35,278,388
FURNITURE	18.10	14,801,808.02	-	14,801,808.02	11,354,179.00	625,730	-	11,979,909.00	2,821,899	3,447,629
AIR CONDITIONER	13.91	10,858,175.40	85,785	10,943,960.60	6,811,500.00	568,917	-	7,380,417.00	3,563,544	4,046,675
COMPUTER	4.00	10,609,868.69	57,873	10,667,741.69	9,709,575.00	365,827	-	10,075,402.00	592,340	900,294
MOTOR CAR	25.89	38,689,140.28	-	37,810,440.28	27,132,338.00	2,926,647	332,313	29,726,672.00	8,083,768	11,556,802
AUTOMOBILE		13,203,930.64	-	13,203,930.64	8,781,024.07	252,587	-	9,033,611.35	4,170,319	4,422,907
LIGHT EQUIPMENTS	20.00	12,017,519.90	636,250	12,653,769.90	8,438,169.00	755,036	-	9,193,205.00	3,460,565	3,579,351
BOREWELL	13.91	44,388.00	-	44,388.00	13,822.00	4,264	-	18,086.00	26,302	30,566
CAMERA	20.00	21,355,990.00	5,057,557	26,413,547.00	17,195,417.00	1,391,750	-	18,587,167.00	7,826,380	4,160,573
FAX MACHINE	13.91	327,779.00	-	327,779.00	284,690.00	6,010	-	290,700.00	37,079	43,089
OFFICE EQUIPMENTS	13.91	2,091,365.75	93,000	2,184,365.75	1,333,267.00	113,654	-	1,446,921.00	737,445	758,099
ELECTRICAL FITTINGS	13.91	1,701,388.77	142,900	1,844,289.12	496,556.00	177,503	-	674,059.00	1,170,230	1,204,833
EQUIPMENTS	20.00	58,479,807.52	1,937,655	60,417,462.52	46,283,456.52	2,572,848	-	48,856,304.52	11,561,158	12,196,351
TELEVISION	20.00	458,326.00	159,000	617,326.00	290,286.00	56,487	-	346,773.00	270,553	168,040
GENERATOR	20.00	2,841,702.00	-	2,841,702.00	1,062,824.00	356,750	-	1,419,574.00	1,422,128	1,778,878
LAND & BUILDING	5.00	1,061,215,175.15	-	1,061,215,175.15	22,116,173.00	-	-	22,116,173.00	1,039,099,002	1,039,099,002
SEWING MACHINE	13.91	25,779.00	-	25,779.00	12,106.00	1,906	-	14,012.00	11,767	13,673
SET	5.00	108,851,835.50	16,309,024	125,160,859.00	24,336,256.00	4,586,419	-	28,922,675.00	96,238,184	84,515,580
KITCHEN ACCESSORIES	13.91	48,690.00	-	48,690.00	7,171.00	5,792.00	-	12,963.00	35,727	41,519
COSTUMES	13.91	7,888,903.50	-	7,888,903.50	4,958,904.00	408,680	-	5,367,584.00	2,521,320	2,930,000
PLANT A/C	13.91	8,321,838.06	124,400	8,446,238.06	773,878.00	1,088,735	-	1,832,613.00	6,613,625	7,547,960
VACUUM CLEANER		54,675.00	-	54,675.00	7,376.00	6,595	-	13,971.00	40,704	47,299
<b>Sub Total (A)</b>		<b>1,415,253,937</b>	<b>24,603,444</b>	<b>1,438,978,681</b>	<b>197,486,431</b>	<b>16,907,425</b>	<b>332,313</b>	<b>214,061,543</b>	<b>1,224,917,138</b>	<b>1,217,767,507</b>
<b>INTANGIBLE ASSETS:</b>										
SOFTWARE		205,491,285.08	-	200,693,589.63	-	-	-	-	200,693,590	205,491,285
<b>Sub Total (B)</b>		<b>1,620,745,222.26</b>	<b>24,603,444.05</b>	<b>1,639,672,270.86</b>	<b>197,486,430.59</b>	<b>16,907,425.28</b>	<b>332,313.00</b>	<b>214,061,542.87</b>	<b>1,425,610,727.99</b>	<b>1,423,258,791.67</b>
<b>Total (A) + (B)</b>		<b>1,521,114,973</b>	<b>108,433,972</b>	<b>1,620,745,222.00</b>	<b>187,500,498</b>	<b>17,769,078</b>	<b>7,783,146</b>	<b>197,486,431</b>	<b>1,423,258,792</b>	<b>1,333,614,475</b>
<b>PREVIOUS YEAR</b>										

## Cinevistaas Limited (Consolidated)

	31.03.2012 (Rupees)	31.03.2011 (Rupees)
<b>1.11 NON CURRENT ASSETS- DEFERRED TAX ASSETS :</b>		
<b>Deferred Tax Assets</b>		
Opening Balance	88,159,470.02	
Less: Deferred tax asset written back	-	
	<u>88,159,470.02</u>	<u>88,159,470.02</u>
<b>1.12 OTHER NON CURRENT ASSETS :</b>		
Miscellaneous Expenditure(to the extent not written off or adjusted)	<u>22,983.00</u>	<u>22,983.00</u>
<b>1.13 CURRENT ASSETS- INVENTORIES :</b>		
(a) Stock in trade- (At cost)	269,500.00	
(b) Work in progress (Underproduction programmes)	126,521,166.54	
(c) Special Purpose Vehicle	36,537,960.13	
	<u>163,328,626.67</u>	<u>163,453,085.04</u>
<b>1.14 CURRENT ASSETS- TRADE RECEIVABLES :</b>		
(Unsecured Considered Good)		
Outstanding for the period exceeding six months from the date they are due for payment.	98,635,008.22	
Others	74,819,241.93	
	<u>173,454,250.15</u>	<u>154,801,624.02</u>
<b>1.15 CURRENT ASSETS - CASH AND CASH EQUIVALENTS :</b>		
Balance with Banks	109,815.05	152,911.00
Fixed Deposit with Banks	-	7,923,267.00
Cash on hand	2,594,274.55	1,495,549.00
	<u>2,704,089.60</u>	<u>9,571,727.00</u>
<b>1.16 CURRENT ASSETS- SHORT TERM LOANS AND ADVANCES :</b>		
(Unsecured Considered Good)		
Service Tax Credit (adjustable against the liability)	621,713.31	980,290.50
Deposits	4,279,867.00	4,771,301.00
Other Loans and Advances #	20,018,087.63	18,974,101.26
	<u>24,919,667.94</u>	<u>24,725,692.76</u>
# includes loan to employees		
<b>1.17 CURRENT ASSETS- OTHER CURRENT ASSETS :</b>		
Tax Deducted at source	9,743,738.15	30,112,674.61
Future Generalii Insurance Ltd (Vehicle insurance claim receivable)	538,294.00	-
	<u>10,282,032.15</u>	<u>30,112,674.61</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b><u>2.1 REVENUE FROM OPERATIONS</u></b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Serials	296,039,289.00	297,450,170.00
Service Tax Realised	36,433,643.00	34,233,051.00
Income from Medical Transcription	5,283,255.00	6,931,323.00
Technical Service	22,063,001.00	8,995,184.00
Telecast Fees	-	1,820,000.00
Income from You Tube	440,997.00	-
Sales by Video Vista Inc.	13,338,814.17	19,038,054.00
	<b><u>373,598,999.17</u></b>	<b><u>368,467,782.00</u></b>

**2.2 OTHER INCOME:**

Dividend On Shares	26,628.00	26,675.34
Interest Income	1,049,888.60	5,080,038.00
Other Non Operating Income	478,767.77	3,142,187.66
	<b><u>1,555,284.37</u></b>	<b><u>8,248,901.00</u></b>

**2.3 OPERATIONAL COST :**

Serials	207,671,301.88	222,095,946.63
Telecast charges	17,056,000.00	20,904,000.00
Medical Transcription Expenses	4,273,458.33	6,155,662.00
Cost of Sales	8,314,117.68	10,898,564.00
Service Tax	36,433,643.00	34,233,051.00
	<b><u>273,748,520.89</u></b>	<b><u>294,287,223.63</u></b>

**2.4 EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	13,947,095.00	15,374,685.00
Staff Welfare Expenses	10,866.00	5,706.00
	<b><u>13,957,961.00</u></b>	<b><u>15,380,391.00</u></b>

**2.5 FINANCE COSTS**

Interest Expenses	30,507,042.04	23,974,133.46
Bank charges	816,619.71	1,298,890.06
	<b><u>31,323,661.75</u></b>	<b><u>25,273,023.52</u></b>

**2.6 DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation on tangible assets	16,907,425.28	17,769,078.00
	<b><u>16,907,425.28</u></b>	<b><u>17,769,078.00</u></b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b><u>2.7 Other Expenses :</u></b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b><u>(Rupees)</u></b>	<b><u>(Rupees)</u></b>
<b><u>2.7.1. Selling and Distribution Expenses</u></b>		
Advertisement & Publicity	457,796.11	759,144.28
Brokerage & Commission	333,333.00	40,000.00
Business Promotion	1,213,156.72	2,262,774.80
<b><u>2.7.2. Establishment Expenses and Other Sundry Expenses</u></b>		
A.G.M. Expenses	347,158.00	444,431.00
Custodial Fees	-	96,184.00
Directors Sitting Fees	40,500.00	75,000.00
Electricity Expenses	9,441,088.34	7,030,263.41
Freight & Courier	60,930.18	70,944.50
General Expenses	5,178,314.98	7,328,856.02
Hand Carry Charges	900,000.00	-
Insurance Expense	1,008,344.65	1,091,272.44
Late Delivery charges	63,900.00	3,350,500.00
Loss on Sale of Fixed Assets	3,093.00	24,190.00
Loss on sale of Shares	865,890.17	-
Motorcar Expenses	2,745,872.47	2,759,225.30
Printing & Stationary	421,294.00	579,206.50
Professional Charges	840,519.28	2,194,173.49
Rent, Rates & Taxes	564,671.60	571,234.87
Repairs & Maintenance	3,321,809.49	4,638,948.51
Research & Development exps	4,802,376.76	6,426,224.00
Sundry Debtors & Advances Written Off	3,760,106.00	745,160.00
Security Charges	1,065,151.99	865,050.61
Telephone Expenses	665,139.78	1,475,504.28
Travelling & Conveyance	1,314,130.86	1,611,293.03
<b><u>Auditor's Remuneration</u></b>		
Audit Fees	71,030.00	71,030.00
Tax Audit Fees	60,000.00	60,000.00
Internal Audit Fees	50,000.00	50,000.00
Total	<b><u>39,595,607.38</u></b>	<b><u>44,620,611.04</u></b>

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012.**

**1. Accounting Convention:**

**1.1** The Consolidated financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, with revenues recognized and expenses accounted on accrual basis unless otherwise stated. Dividend on investments is accounted for on cash basis except in the case of Videovista Inc. wherein the basis of accounting and presentation is as per the laws prevalent in the country of incorporation- U.S.A..

**1.2 Fixed Assets :**

(a) Tangible assets are stated at cost less depreciation. Costs include cost incidental to and / or installation expenses incurred in putting the assets for its intended use.

(b) Intangible assets acquired are measured on initial recognition at cost.

**1.3 Investments:**

**Non-current investments are stated at cost.**

**1.4 Depreciation /Amortization**

Company provides for depreciation/amortization on the Fixed Assets at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 on written down value method on a prorate basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation/amortization is provided till the month of sale or disposal off assets.

**1.5 Inventories :**

(a) U-Matic Cassettes  
Inventories of u-matic cassettes are valued at "weighted average cost" as permissible under the Accounting Standard 2 (AS-2) "Valuation Of Inventories " issued by the Council of The Institute Of Chartered Accountants Of India. However, due to the nature of business the foreign subsidiary holds no stock.

(b) "Work-in-progress:  
Under production cost of serials, ad-films etc. are valued at "cost"

**1.6 Revenue Recognition:**

Realizations in respect of serials are shown at gross.

In respect of serials, income is recognized in the Statement of Profit and Loss as and when the relevant programme or the episode is telecast.

In respect of export of serials, income is recognized in the statement of Profit and Loss only when the relevant serials are delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights of programme have been transferred to the buyers.

In respect of Ad-Films, income is recognized when the completed commercial cassettes is delivered to the buyer.

## Cinevistaas Limited (Consolidated)

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In respect of released feature films income is recognized as and when the right to receive the amount is established.

### 1.7 **Contingent Liabilities :**

Contingent liabilities in respect of show cause notices received from govt. authorities are considered only when they are converted into demands.

### 1.8 **Foreign Currency Transactions :**

Foreign Currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Foreign Currency receivables and payables are valued at the closing price at the year end in accordance with the Accounting Standard 11 (AS 11) Foreign Currency Transactions issued by the Institute of Chartered Accountants of India. Gains and losses on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss.

### 1.9 **Deferred Revenue Expenses:**

Production cost of T.V. Serial's telecast is deferred, wherever ownership and other copyrights are with the company. This deferred expenditure is written off over the estimated useful life of T. V. Serials as estimated by the management.

From the deferred Revenue Expenditure, Production Cost of Serials, the Production / Telecast of which has been discontinued are transferred to Intangible Assets under the head 'Software'. No depreciation has been charged on software.

For the purpose of taxation the Production Cost are treated as revenue expenses, as per the legal opinion obtained by the company.

### 1.10 **Deferred tax:**

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets pertaining to unabsorbed depreciation and carry forward losses are recognized only to the extent there is a virtual certainty of realization.

## 2. **Use of estimates:**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of the financial statements. Disclosure of contingent liabilities and reported amounts of revenues and expenses for the year estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

### 3.1 The Consolidated Financial Statements include results of all the subsidiaries of Cinevistaas Limited. The names, country of incorporation or residence, proportion of ownership interest are under:

Name of Companies	Country of incorporation	% Shareholding of Cinevistaas Limited
Cinevista Eagle Plus Media Pvt.Ltd.	India	67
Cinevista Studios Pvt.Ltd.	India	99.99
Videovista Inc.	U.S.A.	100

- 3.2** Notes to these Consolidated Financial Statements are intended to serve as a mean of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations and lack of homogeneity made it desirable to exclude Notes to Accounts, which, in the opinion of the management, could be viewed, when referred from the individual financial statements, and therefore, such notes have been cross-referenced therein for easier access.
- 3.3** Consolidated financial statements have been prepared substantially in the same format as adopted by the parent company to the extent possible, as required by Accounting Standard (AS-21) "Consolidated Financial Statement" issued by ICAI.
- 3.4** Significant Accounting Policies followed by each of the consolidated companies are annexed to their respective accounts.
- 4.** All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current- non current classification of assets and liabilities.

**5. Related Party Disclosures:**

Since Consolidated financial statements present information about the holding and its subsidiaries as a single reporting enterprise, it is unnecessary to disclose intra-group transactions.

Related party disclosure as required under Accounting Standard on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:

(a) **Relationship:**

Key Management personnel:

Mr. Sunil Mehta.

Mr.Prem Krishen Malhotra.

Relatives of Key Management personnel:

Mr.Vishnu T. Mehta – Father

Mr.Kailashnath Malhotra – Brother.

Mrs.Sunita Malhotra – Sister

Mr.Siddharth Malhotra – Son.

Mrs.Kaushlya Mehta – Mother.

Mrs.Aakansha Agarwal – Daughter.

Mrs.Pamma Mehta – Wife.

Mrs.Sunita Malhotra – Wife.

Mr.Mahesh Mehta – Brother.

Mrs.Sapna Malhotra – Daughter-in-Law.

Entities over which Key Management personnel are able to exercise significant influence:

Fame Communications

Sat-Tel Communications.

Fascination Network

Cinevista Ads

Raaj Films

Sankhini Parks & Infrastructure Pvt.Ltd.

Heritage Productions Pvt.Ltd.

## Cinevistaas Limited (Consolidated)

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- (b) The following transactions were carried out with related parties in the ordinary course of business:

Paid to Mr.Sunil Mehta as Director's Remuneration Rs.25,20,000/-

Paid to Mr.Premkrishen Malhotra as Director's Remuneration Rs.25,20,000/-

Paid to Mrs.Pamma Mehta as Salary Rs.19,80,000/-

Paid to Mrs. Sunita Malhotra as Salary Rs.19,80,000/-

Paid to Mr. Siddharth Malhotra as Professional fees Rs.45,92,500/-

Paid to Mr. Vishnu T. Mehta as interest Rs.2,61,820/-

From Video Vista Inc has realized income from Medical Transcription of Rs.50,09,266/-.

Loan repaid to Sat-Tel Communications Rs.2,70,563.72

### FOR SARATH & ASSOCIATES

Chartered Accountants

Firm Regn.No.5120 S

CA. R. Lakshmi Rao

(Partner)

M.NO. F-029081

Place: Mumbai

Date: 30.05.2012

### FOR AND ON BEHALF OF THE BOARD

PREM KRISHEN MALHOTRA

( Chairman )

SULOCHANA TALREJA

(Director)

SUNIL MEHTA

(Managing Director)

KILPA SHAH

( Company Secretary)

**FINANCIAL HIGHLIGHTS OF SUBSIDIARIES :**

Name of the Subsidiary	Capital	Reserves & surplus	Total Assets	Total Liabilities	Details of Investments (excluding investments in subsidiaries)	Gross Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend & Tax thereon
Cinevista Studios Private Limited	500,500	(16,992,537)	26,851	26,851	-	-	(12,646)	-	(12,646)	-
Cinevista Eagle Plus Media Private Limited	8,184,850	(23,995,829)	11,495	11,495	-	-	(5,412)	-	(5,412)	-
Video Vista Inc.	16,679,250	(18,154,846)	(1,475,596)	(1,475,596)	-	4,437,329	(1,865,087)	-	(1,865,087)	-

Note: The financial statements of the Foreign Subsidiary has been converted into Indian Rupees at the 31st December, 2011 exchange rate.

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## Cinevistaas Limited

Regd. Office: Plot No. 1, L.B.S. Marg, Gandhi Nagar, Kanjurmarg (W), Mumbai – 400 078.

DP ID		L.F. No.	
Client ID No.		No. of Shares held	

### ATTENDANCE SLIP

I/We hereby record my/our presence at the Fifteenth Annual General Meeting of the Company held at Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai - 400 056, on Wednesday, 26th September, 2012 at 11.00 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

**Notes:**

1. You are requested to sign and hand over this slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on date of meeting.
3. If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company at Plot No.1, L.B.S. Marg, Gandhi Nagar, Kanjurmarg (W), Mumbai - 400078, not less than 48 hours before the scheduled time of the meeting.
4. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/ your proxy for reference at the meeting.

----- TEAR HERE -----

## Cinevistaas Limited

Regd. Office: Plot No. 1, L.B.S. Marg, Gandhi Nagar, Kanjurmarg (W), Mumbai – 400 078.

DP ID		L.F. No.	
Client ID No.		No. of Shares held	

### FORM OF PROXY

I/We .....of ..... in the district of ..... Being a member/members of CINEVISTAAS LIMITED hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 26th September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012.

\_\_\_\_\_  
Signature of Member(s)

Please affix  
Re 1/- revenue  
stamp

**Notes:**

1. The Company reserves the right to ask for identification of the Proxy.
2. A Proxy cannot speak at the meeting or vote on a show of hands.

**GINEVISTAAS** Presents

**Teri Meri  
Love Story!!**



**CINEVISTAAS**

L I M I T E D

Annual Report

2011-2012

एक  
हजारों में  
मेरी बहना है



MONDAY - FRIDAY 08:30 - 9:00 PM