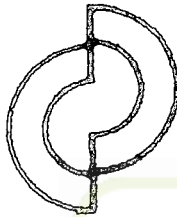


MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



CINERAD COMMUNICATIONS LIMITED

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CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

ZAFAR HAI *Chairman and Managing Director*

ANIL HARISH

M. D. THAKUR *(Nominee SICOM Limited)*

MS. L. D'SOUZA *(Nominee M.S.F.C)*

MS. SARTAJ NOORANI

AUDITORS

M/S. GANDHI NAIK & ASSOCIATES

Chartered Accountants

CORPORATE ADVISORS

M/S. VISHWANATH PAI & ASSOCIATES

Chartered Accountants

M/S. KIRAN THACKER & ASSOCIATES

Company Secretaries

BANKERS

BANK OF INDIA

REGISTERED OFFICE

G-3, BOMBAY MARKET APARTMENTS CO-OP. SOCIETY LIMITED
78 TARDEO ROAD TARDEO,
MUMBAI- 400 034

CORPORATE OFFICE

91A, MITTAL TOWERS,
NARIMAN POINT,
MUMBAI 400 021.

12th Annual Report

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

The Financial Results of the Company are as under :

	Financial Year ended 31.3.98	(Rs. in Lakhs) Previous Year ended 31.3.97
Profit before Depreciation	23.82	27.98
Less : Depreciation	20.43	19.30
Less : Provision for Taxation	0.36	1.30
Profit after Depreciation and taxation	3.03	7.38
Balance brought forward from Previous Year	0.86	0.13
Prior year's adjustments	(1.11)	1.35
Balance available for Appropriations	2.78	8.86
Proposed Appropriations		
Transfer to General Reserve	2.00	8.00
Balance carried forward	0.78	0.86
Total	2.78	8.86

During the year under review, your Company achieved a turnover of Rs. 185.35 lakhs. The profit before depreciation was Rs. 23.82 lakhs and the net profit has been Rs. 3.38 lakhs.

2. DIVIDEND

Due to the reduced profits and the continuing liquidity crunch, your Directors do not recommend any dividend for the year ended 31st March, 1998.

3. BUSINESS PERFORMANCE AND FUTURE PROSPECTS

The turnover during the year under review has increased to Rs. 185.35 lakhs from Rs. 164.40 lakhs in the previous year. However, the profits of the Company have decreased mainly due to increased costs of operations and the continued depressed state of the advertising industry. However, signs of improvement in the business scenario are discernible, and the Company hopes to post better results in the coming months.

In order to increase turnover and profitability substantially, the Company plans to henceforward be actively involved in the production of advertising films and television programming thus achieving vertical integration in its output. This will definitely have a salutary effect on revenues for the studio on the post-production front as well.

4. FIXED DEPOSITS

The Company has not accepted any Deposits from the public during the financial year under review.

5. DIRECTORS

Mr. D. K. Patel, Nominee Director of SICOM Limited ceased to be Director of the Company with effect from March 23, 1998. Mr. M. D. Thakur has been appointed as a Nominee Director of SICOM Limited with effect from April 15, 1998. Mrs. S. Noorani, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself, for re-appointment. Your Directors recommended her re-appointment.



Cinerad Communications
Limited

6. AUDITORS

M/s. Gandhi Naik & Associates, Chartered Accountants, the auditors of the Company, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment if made will be in accordance with sub-section (1) (B) of Section 224 of the Companies Act, 1956.

7. PARTICULARS OF EMPLOYEES

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules 1975, as amended, form, part of this report. However, the above information is not being sent along with the Annual Report as per Section 219(1)(b)(iv) of the Act. Any Shareholder, interested in obtaining the said information, may write to the Company at its Registered Office.

8. INFORMATION PURSUANT TO SECTION 217 (1) (e)

Provision of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company, in respect of Conservation of Energy and Technology Absorption & Research & Development.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	Financial Year ended 31.3.98	Previous Year ended 31.3.97
i) Activities relating to exports, initiatives taken to increase export	N.A.	N. A.
ii) Total foreign exchange used and earned		NIL
a) Total foreign exchange earned	Rs. 70,33,457	NIL
b) Total Savings in Foreign Exchange through products manufactured by the Company and deemed exports	N.A.	N.A.
c) Total foreign Exchange used	Rs. 59,290	Rs. 2,63,414

9. STATEMENT OF PROJECTIONS VS. PERFORMANCE FOR 1997-98

(Rs. in Lakhs)

<u>Particulars</u>	<u>Projections As per Prospectus dated 22-02-1996</u>	<u>Actuals</u>
Sale	266.60	185.35
Profit after Tax	84.90	3.03

Due to increased costs of operations, particularly in employee costs, the Company has faced a squeeze on its profit margins. This has been exacerbated by an industry-wise fall in demand owing to the slowdown in the economy in general and its effects on the advertising industry, the Company intends to actively take up the production of advertising films and television programming, thereby also providing captive business for our studio facilities.

10. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the contribution of employees at all levels. Your Directors also take this opportunity to thank the Financial Institutions, the Bankers, Shareholders and all others concerned for their valuable support and co-operation extended to the Company.

For and on behalf of the Board of Directors

ZAFAR HAI

Chairman and Managing Director

Mumbai,
Dated : August 28, 1998