



CINERAD COMMUNICATIONS LIMITED

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CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

ZAFAR HAI *Chairman and Managing Director*

Ms. SARTAJ NOORANI

JAVED GAYA

Ms. L.D'SOUZA *(Nominee Director)*

AUDITORS

M/S. GANDHI NAIK & ASSOCIATES

Chartered Accountants

BANKERS

BANK OF INDIA

ABU DHABI COMMERCIAL BANK LTD.

REGISTERED OFFICE

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

CORPORATE OFFICE

91-A, MITTAL TOWER,
NARIMAN POINT,
MUMBAI - 400 021.

REGISTRARS AND SHARE TRANSFER AGENTS

SYSTEM SUPPORT SERVICES
209, SHIVAJI INDUSTRIAL ESTATE,
89 ANDHERI KURLA ROAD,
SAKINAKA, NEAR L.I.C.,
MUMBAI - 400 072.

14th Annual Report

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of CINERAD COMMUNICATIONS LIMITED will be held at Conference Hall, 16th Floor, Wing C, Mittal Tower, Nariman Point, Mumbai - 400 021, on Thursday, 21st December, 2000 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Sartaj Noorani, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution :
"RESOLVED THAT Mr. Javed Gaya, who was appointed as Additional Director with effect from 17th November, 2000 by the Board of Directors of the Company, pursuant to the provisions of section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM, DULY COMPLETED SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will be closed on 21st December, 2000.
3. Members are requested to intimate changes, if any, in their registered address along with the pin-code number to the Companies Registrars & Transfer Agents, M/s. System Support Services.
4. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 4 being special business is annexed hereto.
5. Members are requested to bring their copy of the Annual Report and Attendance Slip at the Annual General Meeting.

For and on behalf of the Board of Directors

ZAFAR HAI

Chairman and Managing Director

Dated : November 17, 2000.

Registered Office :

G-3, Bombay Market Apartments,
78, Tardeo Road, Tardeo,
Mumbai- 400 034

ANNEXURE TO NOTICE

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

Item No. 4

Mr. Javed Gaya was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 17th November, 2000, and pursuant to section 260 of the Companies Act, 1956, he holds office till the ensuing Annual General Meeting.

The Company has received a Notice from a shareholder under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Javed Gaya, as a Director of the Company alongwith the necessary Deposit of Rs. 500/-.

Mr. Gaya is a practicing advocate currently involved with several international arbitrations. A member of the Hon'ble Society of Lincoln's Inn, U.K., Mr. Gaya has worked with reputed law firms.

Your Directors are of the opinion that the continued association of Mr. Javed Gaya with the company will be beneficial to and in the interest of the Company and recommend his appointment as a Director of the Company at the ensuing Annual General Meeting.

None of the Directors, except Mr. Javed Gaya, is in any way concerned or interested in the resolution at item no. 4

For and on behalf of the Board of Directors

ZAFAR HAI

Chairman and Managing Director

Dated : November 17, 2000.

Registered Office :

G-3, Bombay Market Apartments,
78, Tardeo Road, Tardeo,
Mumbai- 400 034



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 14th Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2000.

A NEW BEGINNING

The onset of the new millennium has co-incided with a fresh beginning for your Company. The Company successfully completed a preferential allotment of shares in February 2000, wherein 22 lakh equity shares of Rs.10/- each were privately placed at a premium of Rs. 20/- resulting in an inflow to the company of Rs. 660 lakhs. A substantial part of the proceeds were used to fully repay the company's debt liabilities to the financial institutions and bank. Hence, your Company is today a totally debt-free company.

We now have a golden opportunity to re-align our sights and re-adjust our goals in line with the dramatic changes that are taking place in our industry. You will have noticed the proliferation of satellite TV Channels that continues to take place. Also about to happen is a paradigm shift in the delivery of audiovisual media to homes, wherein your computer and television set will converge to bring you interactivity in the viewing of entertainment as well as news and education related programmes.

What all this means is an unprecedented demand for quality programming content. Your Company has already responded to this opportunity by initiating the process of developing content for television, and has submitted proposals to TV Channels, which should fructify in the near future.

Your Company's strategy to actively undertake the production of advertising and promotional films on a regular basis has paid dividends, with the Company's turnover from production activities registering a healthy growth. The increased turnover and improved margins have seen your Company reverse the negative growth of the previous year.

FINANCIAL RESULTS

The Financial Results of the Company are as under :

| | Financial Year ended 31.3.2000 | (Rs. in Lakhs) Previous Year ended 31.3.1999 |
|---|-----------------------------------|--|
| Profit/(Loss) before Depreciation | 34.87 | (78.69) |
| Less : Depreciation | 20.91 | 20.81 |
| Less : Provision for Taxation | 1.61 | - |
| Profit/(Loss) after Depreciation and taxation | 12.35 | (99.50) |
| Balance brought forward from Previous Year | (81.48) | 0.78 |
| Prior year's adjustments | - | - |
| Balance available for Appropriations | - | - |
| Proposed Appropriations | | |
| Transfer to General Reserve | - | - |
| Balance carried forward | (69.13) | (98.72) |
| Total | (69.13) | (98.72) |

The final year of the century saw the Company come out of a difficult situation posting considerably better results. While total revenues grew by 87% to Rs. 159.68 lakhs, Profit after Tax has gone up to Rs. 12.35 lakhs in FY 1999-00 as compared to a loss of Rs. 99.50 lakhs in FY 1998-99.

The key financial highlights of FY 99-00 were :

- An increase in Turnover from operations from Rs. 85.59 lakhs to Rs. 159.68 lakhs
- A turnaround from a Loss of Rs. 99.50 lakhs to a Profit after Tax of Rs. 12.35 lakhs.
- Repayment of the entire debt liabilities of the Company to financial institutions and Bank.

DIVIDEND

The combination of low profits and the requirement of funds for the Company's current expansion plans do not permit your Directors to recommend payment of dividend for the year ended 31st March, 2000.