



CINERAD COMMUNICATIONS LIMITED

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CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

ZAFAR HAI *Chairman and Managing Director*

SARTAJ NOORANI

JAVED GAYA

RASHPAL MALHOTRA

MANMOHAN SHETTY

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, SHIVAI INDUSTRIAL ESTATE,

89, ANDHERI KURLA ROAD,

SAKINAKA, NEAR L.I.C.,

MUMBAI - 400 072.

15th Annual Report

NOTICE

NOTICE is hereby given that the Fifteenth 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, 27th September, 2001 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, 2001 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 Mr. Javed Gaya, who retires by rotation and being eligible, offers himself 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 an Ordinary Resolution:
"RESOLVED THAT Mr. Rashpal Malhotra, who was appointed as an Additional Director with effect from 27th April, 2001 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."
5. To consider, and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Manmohan Shetty, who was appointed as an Additional Director with effect from 27th April, 2001 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 27th September, 2001.
3. Members are requested to intimate change, if any, in their registered address along with the pin-code number to the Company's 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 items no. 4 and 5 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

Registered Office:

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

Dated: August 29, 2001

**ANNEXURE TO NOTICE**

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

Item No. 4

Mr. Rashpal Malhotra was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 27th April, 2001, 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. Rashpal Malhotra, as a Director of the Company alongwith the necessary Deposit of Rs. 500/-.

Mr. Malhotra, aged 65 years, recently retired from the Board of Directors of Bank of India after completing his full tenure. He is the Founder Director of the Centre for Research in Rural and Industrial Development, a prestigious national institution based in Chandigarh.

Your Directors are of the opinion that the continued association of Mr. Rashpal Malhotra 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. Rashpal Malhotra, is in any way concerned or interested in the resolution at item no. 4.

Item No. 5

Mr. Manmohan Shetty was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 27th April, 2001, 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. Manmohan Shetty, as a Director of the Company alongwith the necessary Deposit of Rs. 500/-.

Mr. Manmohan Shetty, aged 54 years is the Managing Director of Adlabs Films Limited, which has recently launched India's first Imax Theatre.

Your Directors are of the opinion that the continued association of Mr. Manmohan Shetty 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. Manmohan Shetty, is in any way concerned or interested in the resolution at item no. 5.

For and on behalf of the Board of Directors

ZAFAR HAI

Chairman and Managing Director

Registered Office:

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

Dated: August 29, 2001

15th Annual Report

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Company's 15th Annual Report along with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

The Financial Results of the Company are as under :

	Financial Year ended 31.3.2001	(Rs. in Lakhs) Previous Year ended 31.3.2000
Profit/(Loss) before Depreciation and Taxation	36.74	34.87
Less: Depreciation	24.63	20.91
Less: Provision for Taxation	-	1.61
Profit/(Loss) after Depreciation and Taxation	12.11	12.35
Balance brought forward from Previous Year	(69.13)	(81.48)
Balance carried forward	(59.30)	(69.13)

DIVIDEND

In view of the low profits, the Directors do not recommend payment of dividend for the year ended 31st March, 2001.

INDUSTRY OUTLOOK

The general economic slow down has affected almost every industry. Under the circumstances, one of the first reactions of corporates is to severely slash or restrict advertising and promotional budgets to protect their margins. This slash in advertising spend levels has severely affected all aspects of the media industry from producers to channels. However, producers and production houses are taking the biggest brunt, since advertisers prefer to spend their limited budget on exposure levels rather than on the creation of a new advertising campaign or commercial.

The present economic scenario has adversely affected not only the volume of business but has also put a very severe strain on profit margins which have dropped from highs of 25 to 40% to lows of 8 to 10% gross margins. This has been further compounded by the increasing competition which has also adversely affected both revenues and profits.

BUSINESS PERFORMANCE & FUTURE SCENARIO

Advertising Films

The production of commercials and documentaries saw a marginal increase in the number of films produced from 6 to 8. However, the increase in revenue was not commensurate and the financial year closed with revenues of Rs. 163.59 lakhs reflecting a growth of 2.5%.

A good monsoon may help regenerate the advertising budgets for brands with large rural markets. However, the impact of this is only likely to be felt in the third and fourth quarters of 2001-2002. In the meantime, the company continues to market its very prestigious panel of foreign and Indian directors. With price and costs continuing to pose a challenge even in the coming months, the company expects to deliver only a very conservative growth in both revenues and profits.

Television Programming

The company had been commissioned to produce a documentary serial for a channel that was due for a launch in the later half of 2001. Unfortunately, the channel has postponed its launch indefinitely and therefore the programme has been shelved, although we have produced two episodes for which full payment is expected.

The company will continue to concentrate on niche programming of a documentary nature aimed at channels such as BBC, CNN and Discovery. We are in the process of developing concepts relevant to these channels and market the programmes to them. The company is aiming to get one programme on air by the end of financial year 2001-2002.

FIXED DEPOSITS

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

RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments