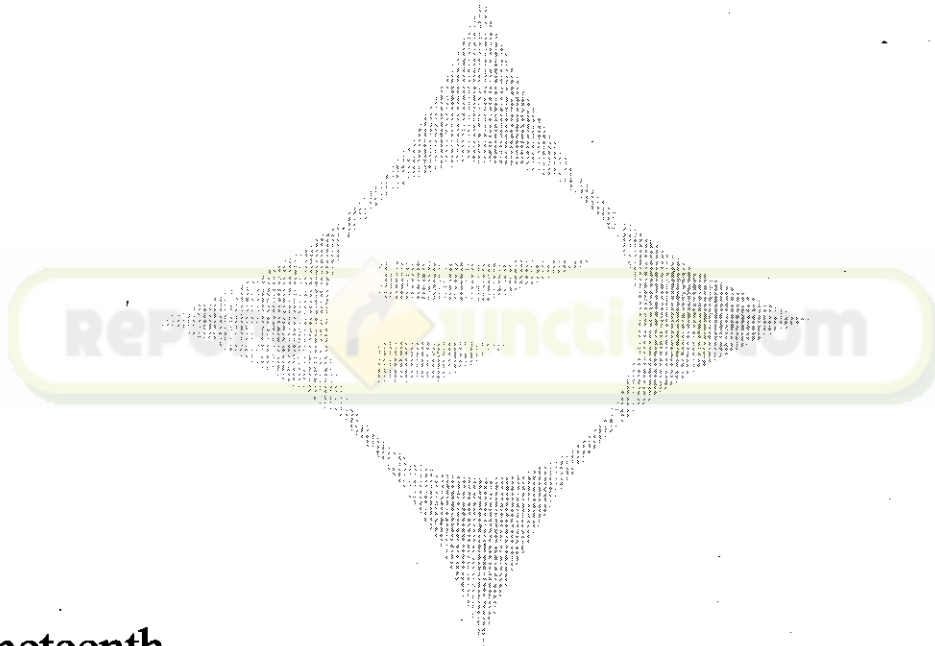




SAHARA
INDIA PARIWAR

SAHARA INDIA MEDIA COMMUNICATION LIMITED



Nineteenth

ANNUAL REPORT

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NOTICE

SAHARA INDIA MEDIA COMMUNICATION LIMITED

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on Thursday, the 31st August, 2000 at the Registered Office of the Company at CTS 40 & 44, S.V. Road, Goregaon (West), Mumbai at 11 A.M., to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000, and the Profit & Loss Account for the year ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To consider appointment of a Director in place of Shri Sukhinder Bagai who is retiring by rotation.
3. To appoint M/s. Price Waterhouse, Chartered Accountants, Mumbai, as Statutory Auditors of the Company and to fix their remuneration.

Special Business :

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Shri Subrata Roy Sahara who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of his office shall not be liable to determination by retirement of directors by rotation."

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Smt. Swapna Roy who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of her office be liable to determination by retirement of directors by rotation."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Shri O.P. Srivastava who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of his office be liable to determination by retirement of directors by rotation."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Shri J.B. Roy who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of his office be liable to determination by retirement of directors by rotation."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Smt. Jaya Bachchan who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of her office be liable to determination by retirement of directors by rotation."

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Shri Mahesh Prasad who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of his office be liable to determination by retirement of directors by rotation."

10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that Shri Vijay B. Chandra who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 10th March, 2000, be and is hereby appointed as Director of the Company."

"FURTHER RESOLVED that the period of his office be liable to determination by retirement of directors by rotation."

11. To consider and if thought fit, to pass, with or without modifications the following Resolution as special resolution :

"RESOLVED that pursuant to the provisions of Section 81(1A) 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 other rules, regulations, guidelines and directions as

may be applicable; and in accordance with the Articles of Association of the Company and subject to the consent of the Securities and Exchange Board of India (SEBI) and all other appropriate authorities if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by Board of Directors of the Company (hereinafter referred to as Board) at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer and issue to such persons, such number of equity shares of the Company, of the face value of Rs. 10/- each at a premium of Rs. /-per share, not exceeding 30,00,000 in number as may be required for subscription for cash to such category of financial institutions in consultation with such authorities as may be required and otherwise earning pari passu, except for payment of dividend pro-rata from the date of allotment, with the existing equity shares of the company as the Board at its absolute discretion and in the best interest of the company may deem fit."

"FURTHER RESOLVED that for the purposes of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things and accept any modification and alteration as it may deem fit and proper and give such directions as may be necessary to settle any question and difficulty that may arise in regard to issue and allotment of the said equity shares including power to allot equity shares, if any, in such a manner as may appear to the Board of Directors of the Company to be most beneficial to the Company."

"FURTHER RESOLVED that for the purposes of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to decide the number of shares to be allotted, the price of the shares, the name of the financial institution and any other matter and things and accept any modification and alteration as it may deem fit and proper and give such directions as may be necessary to settle any question and difficulty that may arise in regard to issue and allotment of the said equity shares including power to appoint and authorise a person, in such a manner as may appear to the Board of Directors of the Company to be most beneficial to the Company"

12. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution :

"RESOLVED THAT the Board of Directors of Company be and is hereby authorised to undertake all or any of the activities as mentioned below which they deem fit in the best interest of the company and to undertake all other allied activities required in this behalf."

- (a) Make any loan to any other body corporate, with or without security, at a rate of Interest not less than the prevailing bank rate as declared by Reserve Bank of India from time to time U/s 49 of the Reserve Bank of India Act, 1934 and/or
- (b) Give any guarantee or provide security in connection with a loan made by any other person to, or to any other person by, any body corporate with or without security and/or
- (c) Acquire by way of subscription, purchase or otherwise the securities of any other body corporate.

"FUTHER RESOLVED that the board of the company may undertake activities mentioned in a, b & c above, subject to ceiling of Rs. 75 crores (Rupees Seventy Five Crores) notwithstanding this exceeds the limit of 60% of the Paid up Capital and Free Reserves or 100% of the Free Reserves of the company, whichever is more, or the limit as may be amended from time to time."

13. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to provisions of Section 269 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Sumit Roy, S/o Late Shri Sudhendu Roy, R/o 166, Movie Tower, Near Millat Nagar, Lokhandwala Complex, Andheri (W), Mumbai, be and is hereby appointed as Manager of the company for a period of Five years w.e.f. 5th May, 2000, on remuneration within the limit of schedule XIII of the Companies Act, 1956, in salary scale of Rs. 32000-1250-38250-1500-45750 and allowances, P.F., Gratuity and Pension as per the rules of the Company, which may be revised from time to time within the limit of the said Schedule XIII."

"FURTHER RESOLVED that Shri Sumit Roy shall be treated as Officer/ Principal Officer/ Administrative Officer/ Manager/ Occupier or any other terminology used for Principal Officer in other legislation applicable to the Company and its activities and shall indemnify to the Company for defaults and loss, damages caused to the Company due to negligence in execution/ performing his duties assigned to his office."

By order of the Board

Place : Mumbai

Date : 29th June, 2000

(Bimal Kishore Nanda)
Company Secretary

Registered Office:
CTS-40 & 44, S.V. Road,
Goregaon (West),
Mumbai 400 104

Note :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.**
2. Members are requested to bring the admission slip alongwith their copies of Annual Report.
3. The introduction of Section 109(A) provides for nomination by the Shareholders of the Company. The Shareholders are requested to avail of this facility by submitting the prescribed Form No. 2 B duly filled in at the Registered Office of the Company.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
5. The Company has already notified closure of Register of Members and the Transfer Books from 12th of August, 2000, to 31st of August, 2000, (both days inclusive).
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

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

Item No. 4

Shri Subrata Roy Sahara, who was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 10th March, 2000, and was appointed as Chairman of the Company in the meeting of the Board of Directors held on 29th June, 2000, shall be vacating his office in the ensuing Annual General Meeting of the Company. Company has received a notice along with the requisite fee U/s 257 of the Companies Act, 1956, from the Members of the Company proposing his name for appointment as Director of the Company. Board proposes that the period of office of Shri Subrata Roy Sahara shall not be liable to determination by retirement of Directors by rotation. Members are requested to consider and if thought fit for their consent for appointment of Shri Subrata Roy Sahara as Director not liable to retire by rotation.

Smt. Swapna Roy and Shri J.B. Roy are interested in the resolution being relative to Shri Subrata Roy Sahara, as defined in Schedule 1B of the Companies Act, 1956.

Item No. 5 to Item No. 10

Smt. Swapna Roy, Shri O.P. Srivastava, Shri J.B. Roy, Smt. Jaya Bachchan, Shri Mahesh Prasad, and Shri V.B. Chandra, were appointed as Additional Directors of the Company at the Board Meeting held on 10th March, 2000. The Company has received notices along with the requisite amount of fees U/s 257 of the Companies Act, 1956, from the members of the Company proposing the name of Smt. Swapna Roy, Shri O.P. Srivastava, Shri J.B. Roy, Smt. Jaya Bachchan, Shri Mahesh Prasad, and Shri V.B. Chandra to be appointed as Director(s) liable to retire by rotation.

Shri Subrata Roy Sahara, Director and Shri J.B. Roy, Director, are interested in the resolution relating to Smt. Swapna Roy, being relative of Smt. Swapna Roy, as defined in Schedule 1B of the Companies Act, 1956.

Shri Subrata Roy Sahara, Director and Smt. Swapna Roy Director, are interested in the resolution relating to Shri J.B. Roy, being relative of Shri J.B. Roy, as defined in Schedule 1B of the Companies Act, 1956.

The other individual Directors may be treated as concerned or interested in the resolution relating to their appointment.

Item No. 11

30,00,000 (Thirty lac) Equity shares, constituting 14.85% of the expanded capital, are proposed to be allotted pursuant to Special Resolution to be passed under section 81(1A) of the Companies Act, 1956.

Ranking: The equity shares issued as aforesaid shall rank pari-passu in all respects with the existing equity shares of the Company except that they shall rank, for dividend, pro-rata from the respective date of allotment.

As per the guidelines issued by SEBI the minimum offer price is at a price not less than the higher of the following:

The Average of the weekly high & low of the closing prices of the related shares quoted on the Stock Exchange during the six months preceding the relevant date OR the average of weekly high & low of the closing prices of the related shares quoted on the Stock Exchange during the two weeks preceding the relevant date.

"The Relevant Date" for this purpose means the date 30 days prior to the date on which the meeting of the General Body of Shareholders is convened, in terms of section 81(1A) of the Companies Act, 1956, to consider the proposed issue.

The average of the weekly high & low price during the two weeks preceding the relevant date i.e. 1st August, 2000, is Rs./-. However the Board of Directors, considering the bright future prospects of the Company and the present Quotations of the Shares on Stock Exchange, Mumbai, have considered it prudent to charge a Premium of Rs. /- per share.

Purpose of Allotment : The new line of business requires additional capital as well as the prudence involved by the induction of Financial Institutions into the company. Board of Directors is of the opinion that in the prevailing market condition it is prudent, that the additional equity fund be raised through preferential allotment of shares. Thus your Board of Directors proposes to induct additional capital by issue of shares on a preferential allotment basis to the select financial institutions.

The proposed allotment of shares to these financial institutions will not result in any change in management of the company.

The Pre and Post Issue shareholding pattern based on the Subscribed Capital of the company is/will be as follows:

	Pre Issue		Post Issue	
	No	%	No	%
1. Promoters Group				
(a) Acquirer(s)	1,70,00,000	98.83	1,70,00,000	84.16
(b) Others	1,67,643	0.97	1,67,643	0.83
Total Promoters Group	1,71,67,643	99.80	1,71,67,643	84.99
2. Public	32,357	0.20	32,357	0.16
3. Financial Institutions	-	-	30,00,000	14.85
Total Paid up Capital of the Company (No. of Shares)	1,72,00,000	100.00	2,02,00,000	100.00

The present issue is being made pursuant to section 81(1A) of the Companies Act, 1956, and is regulated by SEBI guidelines on preferential allotment of shares. Auditor's Certificate to the effect that the issue of equity shares is being made in accordance with the requirements contained in SEBI Guidelines on Preferential Issue is open for inspection during the business hours at the registered office of the Company and the same will be laid before the ensuing Annual General Meeting.

Section 81(1A) of the Companies Act, 1956, provides inter alia, that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be first offered to the persons who on the date of offer are holders of the equity shares of the company, in proportion to the capital paid up on the date unless the shareholders in General Meeting decide otherwise.

The consent of the shareholders is sought to authorise the Board of Directors as set out in the resolution to issue Equity Shares.

The Board recommends the resolution for Shareholders approval.

None of the Directors of the Company are concerned or interested in the resolution.

Item No. 12

Item No. 12 is placed for the approval of the Members for authorising Board of Directors of the company for making investment etc. of the funds available with the Company, not immediately required for the main business, so that the earnings of the Company could be improved and the funds lying with the Company shall not remain idle. For making investment etc. approval of the Members is required where the amount of investment etc. exceeds the prescribed limit i.e. 60% of the Paid-up Capital and Free Reserves or 100% of the Free Reserves of the Company, whichever is more. The proposal is before the Members for their approval.

The Directors of the company may be deemed to be concerned or interested in the aforesaid resolution to the extent of loan granted, guarantee given or security provided or investment made in the companies in which they are interested.

Item No. 13

Shri Sumit Roy who is having experience in the field of production of software for T.V. Channel has been appointed as Manager of the Company by the Board of Directors in their meeting held on 5th May, 2000.

As the appointment of 'Manager' requires the approval of Shareholders by way of Ordinary Resolution, hence the proposal is put up for your approval.

None of the Directors is concerned or interested in the proposed resolution.

By Order of the Board

Place : Mumbai.
Date : 29th June, 2000

(Bimal Kishore Nanda)
Company Secretary