

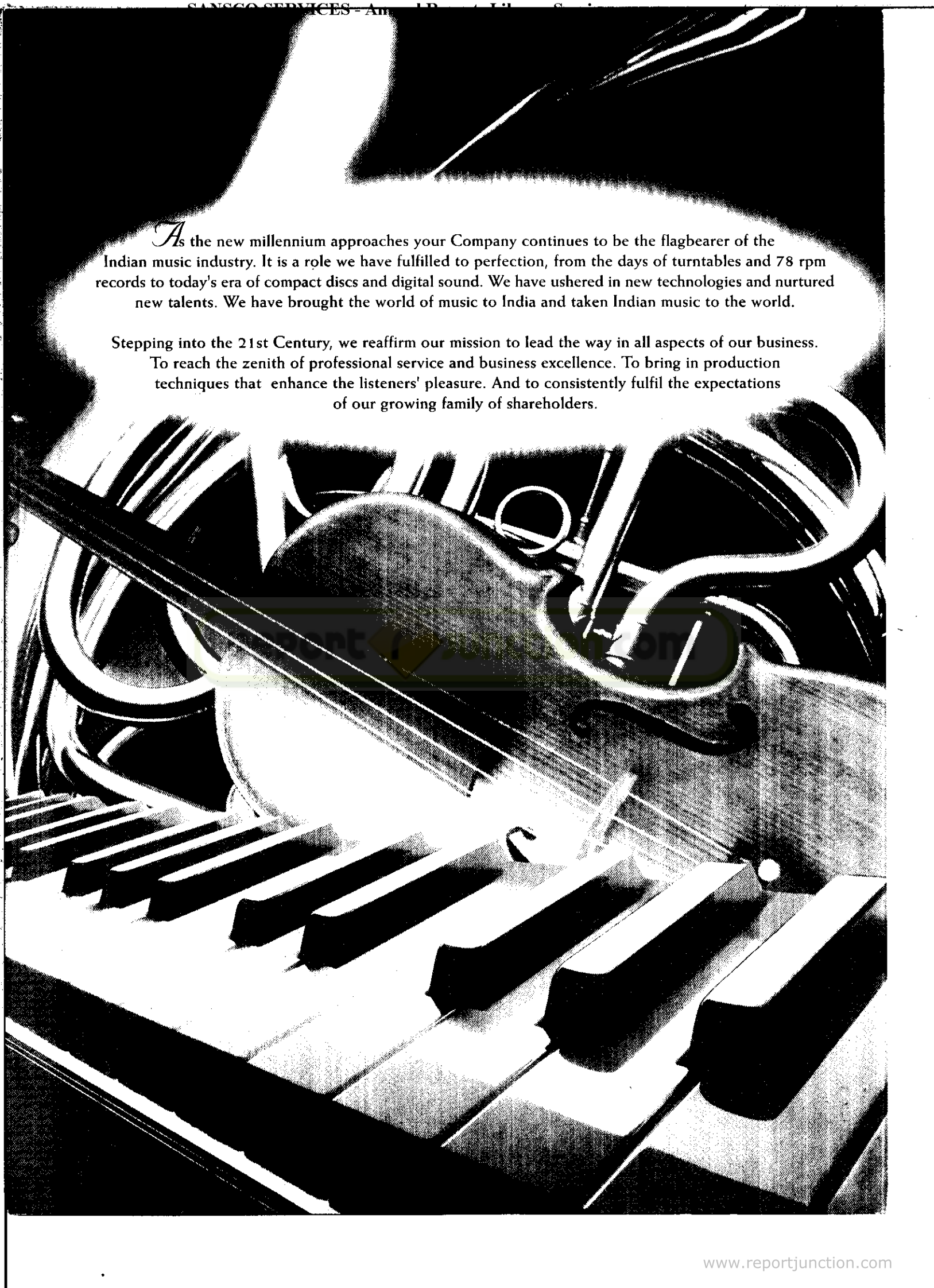
52ND ANNUAL REPORT 1999

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THE GRAMOPHONE COMPANY OF INDIA LIMITED

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*A*s the new millennium approaches your Company continues to be the flagbearer of the Indian music industry. It is a role we have fulfilled to perfection, from the days of turntables and 78 rpm records to today's era of compact discs and digital sound. We have ushered in new technologies and nurtured new talents. We have brought the world of music to India and taken Indian music to the world.

Stepping into the 21st Century, we reaffirm our mission to lead the way in all aspects of our business. To reach the zenith of professional service and business excellence. To bring in production techniques that enhance the listeners' pleasure. And to consistently fulfil the expectations of our growing family of shareholders.



A 'Breathless' Year

With the Company's existing repertoire of music providing the strength to push forward, the Company continued to make rapid strides.

The progress in the year was literally 'Breathless', with the Shankar Mahadevan-Javed Akhtar album by that name proving to be the hottest seller, topping the charts for several months.



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GODMOTHER

A Sweep of Awards

Tunes from 'Godmother', a film produced by Gramco Films and winner of an unprecedented six National Awards, was another notable success during the year. The film was declared the Best Feature Film in Hindi of 1998 and also swept the awards for Best Actress, Best Editing, Best Lyrics, Best Music Director and Best Male Playback Singer.



Gramophone

A new label, 'Gramophone' was introduced to focus on old, rare and unreleased Hindi film songs from the Company's vast catalogue. The label also covers live recordings of concerts in Hindusthani and Carnatic classical music. Selected regional language songs are another aspect of the brand's repertoire.

Saregama

Another new label 'Saregama' was unveiled in the current year to synergise with the launch of Saregama p.l.c. in the United Kingdom. All international releases in music cassettes and CDs will now carry the new label.





Marching to the Tune

It was a year in which your Company paid tribute to the armed forces with a four cassette album featuring original compositions from the post-Independence era. 'Martial Music of the Indian Army' reflected the rich diversity and traditions of the Army with stirring tunes based on folk songs of Punjab, Rajasthan, Marwar, Garhwal and Konkan. The composing talents of armymen like LB Gurung, Harold Joseph and JN Roychowdhury became known to a larger audience for the first time.

After a gap of more than 25 years, Lata Mangeshkar re-recorded 'Ai Mere Watan Ke Logo' - the song that had moved Jawaharlal Nehru to tears. Once again her emotion packed voice moistened the eyes of the nation as it played to the images of the Kargil War.





THE GRAMOPHONE COMPANY OF INDIA LIMITED

Board of Directors

MR. R. P. GOENKA, *Chairman*
MR. S. GOENKA, *Vice Chairman*
MRS. S. GOENKA
MR. H. V. NEOTIA
MR. S. BANERJEE
MR. F. GIACCARDI
MR. V. B. MENON
MR. C. DIMONT
MR. P. K. MOHAPATRA
DR. B. SEN (*Nominee of UTI*)

President

MR. K. KRISHNAN

Auditors

PRICE WATERHOUSE
Chartered Accountants

Legal Advisers

KHAITAN & CO.

Bankers

UNITED BANK OF INDIA
STATE BANK OF INDIA
CANARA BANK

Registered Office

33 JESSORE ROAD
DUM DUM
CALCUTTA 700 028

Internet Website

<http://www.saregama.com>

Notice



THE GRAMOPHONE COMPANY OF INDIA LIMITED

NOTICE is hereby given that the Fifty-second Annual General Meeting of the Members of The Gramophone Company of India Limited will be held at G. D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Calcutta 700 019 on Wednesday, the 13th October, 1999 at 10.30 a.m. to transact the following business:

1. To receive and adopt the Directors' Report and audited Profit and Loss Account for the year ended on 31st March, 1999 and the Balance Sheet as at 31st March, 1999 and the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint Directors in place of Mr. S. Goenka, Mr. H. V. Neotia and Mr. F. Giaccardo, who retire by rotation and, being eligible, offer themselves for reappointment.
4. To consider, and if thought fit, to pass with or without modification, as may be permissible, the following Resolution as a Special Resolution:

"RESOLVED THAT Messrs. Price Waterhouse, B-3/1, Gillander House, Netaji Subhas Road, Calcutta 700 001 be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the Company."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 387, 198 and 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its approval to the appointment of Mr. K. Krishnan, as Manager (designated as President) of the Company for a period of 2 years with effect from 1st April, 1999 on the remuneration and perquisites and upon and subject to the terms set out in the Agreement entered into between the Company and Mr. K. Krishnan."

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 387 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Manager be determined by the Board of Directors of the Company from time to time and the Board of Directors be and are hereby authorised to vary and increase the remuneration, perquisites, incentives and bonus as the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any statutory modifications or re-enactments thereof and/or any rule framed thereunder and the Members hereby approve such variation and increase as may be determined by the Board of Directors of the Company from time to time."

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives and bonus as specified above by the Board of Directors as minimum remuneration subject to the limits laid down under Section 198 read with Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time."

6. AMENDMENT TO THE ARTICLES OF ASSOCIATION

To consider, and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

Incorporate the following Article 14B after the existing Article 14A.

Nomination of shares 14B. In case a nomination is made by a holder or all joint holders of shares in the manner prescribed under the Act, the Company shall, notwithstanding anything contained in these Articles, recognise such nominee on the death of such holder or all such joint holders notwithstanding anything contained in any other law or in any disposition, testamentary or otherwise in accordance with the provisions of the Act."

NOTES :

- (a) The Explanatory Statement in respect of Item Nos. 4, 5 and 6 is hereto annexed.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxies, in order to be effective, must be received at the office of the Company's Secretarial Department at No.2, Ripon Street, Calcutta 700 016, not less than 48 hours before this Annual General Meeting.
- (c) The Register of Members and the Share Transfer Books of the Company shall remain closed from 7th October, 1999 to 13th October, 1999 (both days inclusive).
- (d) If dividend, as recommended by the Directors, is declared at the Meeting, the payment will be made to those shareholders whose names appear on the Company's Register of Members as on 13th October, 1999.
- (e) Any change of address may be communicated to the Company at the office of the Company's Secretarial Department at No.2, Ripon Street, Calcutta 700 016.
- (f) Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting.
- (g) Members holding shares in identical order of names in more than one Folio are requested to write to the Company's Secretarial Department enclosing their Share Certificates to enable the Company to consolidate their holdings in one Folio.
- (h) Consequent to the reduction in Share Capital from Rs. 18.17 crore to Rs. 7.27 crore as per the Order of the Hon'ble High Court, Calcutta dated 24th July, 1996, Members who have not yet exchanged their old Share Certificates for the new ones are requested to surrender the old Share Certificates standing in their name(s) as on the 'Record Date' 9th November, 1996 immediately to the Company's Secretarial Department.

Registered Office:
33, Jessore Road,
Dum Dum,
Calcutta 700 028

Dated: 25th August, 1999

By Order of the Board

P. K. MOHAPATRA
Director

Annexure to the Notice

EXPLANATORY STATEMENT as required by Section 173 of the Companies Act, 1956

1. In terms of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Item Nos. 4, 5 and 6 of the accompanying Notice dated 25th August, 1999.
2. **Item No. 4:** Section 224-A of the Companies Act, 1956 provides that in the case of companies in which not less than 25% of the subscribed share capital is held whether singly or in any combination by Public Financial Institutions, Banks, Insurance Companies, Government Companies, Central Government or State Government etc. the appointment or reappointment of an auditor of the company shall be made by Special Resolution.
In the case of the Company, the holding of Banks, Insurance Companies and Public Financial Institutions collectively exceeds 25% of its subscribed share capital. Hence, a Special Resolution is required to be passed to reappoint M/s. Price Waterhouse as the Company's auditors.
3. **Item No. 5:** Pursuant to Section 269 of the Companies Act, 1956 the Board of Directors of the Company at its meeting held on 25th August, 1999 have appointed Mr. K. Krishnan as the Manager (designated as President) of the Company subject to the approval of the Members in General Meeting. The terms and conditions of his appointment are as set out in the Agreement entered into between the Company and Mr. K. Krishnan referred to in the Resolution at Item No. 5 of the accompanying Notice, abstract of which is indicated below:
 1. Mr. K. Krishnan to act as Manager (designated as President) of the Company for a period of 2 years commencing from 1st April, 1999.
 2. a) **Salary:**
Rs. 92,100/- per month.
 - b) **Bonus:**
In accordance with the Company's rules.
 - c) **Perquisites:**
 - i. In addition to above remuneration the Manager shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.
 - ii. Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall be evaluated at actual cost.
 - d) Company's Contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act.
 - e) **Gratuity:**
One half month's salary for each completed year of service in accordance with the rules of the Company.
 - f) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.

The approval of the Members is being sought to the appointment of Mr. K. Krishnan as Manager of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed. The draft of the Agreement referred to in the Resolution at Item No. 5 will be open for inspection by the Members at the Registered Office of the Company between 10 a.m. and 12 noon on all working days.
4. **Item No. 6:** The Companies (Amendment) Act, 1999 has introduced facility of nomination for holders of shares and debentures. Thus, in order to bring the existing Article 14 in line with the new provision, it is proposed to suitably alter the Articles of Association of the Company as set out in Item No.6 of the Notice.

None of the Directors of the Company is concerned or interested in these Resolutions.

Registered Office:
33, Jessore Road,
Dum Dum,
Calcutta 700 028

By Order of the Board

Dated: 25th August, 1999

P. K. MOHAPATRA
Director