

Mid-Day Multimedia Limited Notice

Mid
Day

NOTICE is hereby given that the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K.Dubhash Marg, (Behind Prince of Wales Museum), Mumbai - 400 001 on Thursday, July 15, 2004 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Narayan Varma who retires by rotation and is eligible for re-appointment.
- 3) To appoint a Director in place of Mr. Nana Chudasama who retires by rotation and is eligible for re-appointment.
- 4) To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals, if any, the consent of the Company be and is hereby accorded

- a) to the revision in the salary of Mr. Tarique Ansari from Rs. 21 lacs per annum to Rs. 23.52 lacs per annum for the period 11th July, 2003 to 30th June, 2004.
- b) to the re-appointment of Mr. Tarique Ansari, as Managing Director, for a further period of 3 years w.e.f. 1st July, 2004 to 30th June, 2007 on the remuneration and other terms and conditions as set out in the agreement to be executed with him, the broad terms whereof are set out in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary any of the terms and conditions relating to the remuneration payable to Mr. Tarique Ansari within the limits specified under the provisions of the Companies Act, 1956."

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 16, 31, 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 40,00,00,000 (Rupees Forty Crore Only) divided into 400,00,000 (Four Crore) Equity Shares of Rs. 10 (Rupees Ten Only) each to Rs. 50,00,00,000 (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10 each.

RESOLVED FURTHER THAT the following amendments be made to the clause V of the Memorandum of Association of the Company.

To delete the first sentence of the existing clause V and incorporate the following:

The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore) Equity

Shares of Rs. 10 (Rupees Ten) each.

RESOLVED FURTHER THAT, Article 4 be substituted to the Articles of Association of the Company as follows:

The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10 each, with power to increase and reduce the capital, to divide the shares in the capital for the time being in several classes and to attach respectively such preferential, deferred, qualified or special rights, privileges or any conditions as may be determined in such a manner as they for the time being be provided by the regulation of the Company and to consolidate or sub divide the shares and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being subject to the provisions of the Act, be provided by the regulations of the Company.

RESOLVED FURTHER THAT Mr. Tarique Ansari, Managing Director be and is hereby authorised to sign all necessary documents and to take all necessary steps/actions as may be required in the above matter."

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

"RESOLVED THAT subject to:

- a) the provisions of Section 81, 86 and any other applicable provisions, if any, of the Companies Act, 1956;
- b) the guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and/or the Stock Exchanges or any other appropriate authorities, in this behalf;
- c) such other approvals, consents, permissions and sanctions, from such authorities or bodies, as may be necessary or requisite;

AND THAT pursuant to Article 190 of the Articles of Association of the Company and such other Articles as may be applicable, and on the recommendation of the Board of Directors of the Company ("the Board");

1. a sum of Rs. 8,51,32,555 (Rupees Eight Crore Fifty One Lac Thirty Two Thousand Five Hundred Fifty Five only) be and is hereby capitalised out of the amount standing to the credit of General Reserve Account, or Share Premium Account or Profit or loss Account or any other reserve and/or surplus as on March 31, 2004 as may be decided by the Board;
2. The Board be and is hereby authorised to appropriate the said sum of Rs. 8,51,32,555 (Rupees Eight Crore Fifty One Lac Thirty Two Thousand Five Hundred Fifty Five only) towards issue of Bonus Shares to and amongst all the equity share holders of the Company whose names appear as beneficial owner(s) of the equity shares of the Company, in the records of the Depositories, at the close of business on a date specified in this regard by the Board. (hereinafter referred to as 'the Record Date') and to apply the same sum in allotting 85,13,255 (Eighty Five Lacs Thirteen Thousand Two Hundred Fifty Five) fully paid-up Bonus Equity Shares of Rs. 10 each, in the proportion of One New Equity Share for every Four existing Equity Shares held by them respectively on the Record Date and the largest shareholder be allotted, issued and credited 0.5 fraction less than its entitlement.

3. Any of such new equity shares which on the exact distribution in the proportion aforesaid, would fall to be allotted in fraction, be allotted in the name of a Director of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights;
4. The Bonus Equity Shares so issued shall be treated for all purposes as an increase of the amount of share capital of the Company held by each such member and not as an income or distribution in lieu of Dividend;
5. No Letters of Allotment shall be issued to the members entitled to Bonus Shares and in case the shares are held in dematerialised form, the Bonus Shares shall be credited to the depository account of the beneficiary shareholder within the stipulated time period and in case the shares are held in physical form the share certificates in respect thereof shall be issued under the Common Seal of the Company and shall bear the facsimile signatures of any two Directors and be countersigned by the Company Secretary.
8. Pursuant to the amendment to the Companies Act, 1956 the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
9. Members are requested to notify immediately any change in their address and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

By Order of the Board of Directors
For **Mid-Day Multimedia Limited**

Vidya Shembekar
Company Secretary

AND THAT the Board be and is hereby authorised to apply for Listing of Bonus Shares to the Stock Exchanges where the Company's existing shares are listed and to make an application to the Depositories for crediting the Bonus Shares to the individual Depository Accounts of the allottees.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, to settle any question, difficulty or doubt that may arise in regard to the issue and distribution of the new Equity Shares as it may think fit, and to accept on behalf of the Company, modifications of any nature whatsoever, if any which may be proposed by Statutory authorities and which the Board in its discretion think fit and proper."

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in regard to the business as set out in Item Nos. 5 to 7 above is annexed hereto.
2. The information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/ re-appointed is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
4. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 13th July 2004 to Thursday, 15th July 2004 (both days inclusive) for annual closure as per the Listing Agreements.
5. Members desiring any information on the accounts at the annual general meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the meeting.
6. 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 Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. As a measure of economy, copies of annual report will not be

Registered Office:
156-D, J. Dadajee Road,
Tardeo,
Mumbai - 400 034.
Mumbai, 10th May, 2004

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice dated 10th May, 2004.

ITEM NO. 5

- a) The Board of Directors at their meeting held on 10th July 2003 had approved revision in the salary of Mr. Tarique Ansari from Rs. 21 lacs per annum to Rs. 23.52 lacs per annum for a period 11th July, 2003 to 30th June, 2004.
- b) The present term of office of Mr. Tarique Ansari as a Managing Director of the Company will be expiring on 30th June, 2004. Subject to shareholders' approval, the Board of Directors, at their meeting held on 10th May, 2004, have approved re-appointment of Mr. Tarique Ansari for a further period of 3 years from 1st July, 2004. The present remuneration of Mr. Tarique Ansari is Rs. 23.52 lacs per annum. Subject to approval of the members, based on the recommendations of the Remuneration Committee, the Board had approved an overall increase of 25% in the present compensation of Mr. Tarique Ansari. Fifty percent of this increment is payable as a Performance Bonus for the year. The details are given below.

I) Remuneration:

Salary:

The Proposed remuneration is Rs. 29,40,000/-. The details are as under:

- i) salary Rs. 23,46,000 per annum
- ii) Perquisites as shown below upto Rs. 3,00,000 per annum
- iii) Performance Bonus of Rs. 2,94,000/- for the year.

The Board has to be authorised to revise the Managing Director's remuneration upto Rs 42 lacs per annum.

Perquisites and Allowances:

- a) The perquisites and allowances payable to the Managing Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and allowances subject to ceiling of Rs.3, 00,000 per annum and subject to an overall ceiling of remuneration stipulated in Sections 198,309 of the Companies Act, 1956 and Schedule XIII to the Companies Act, 1956.
- b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost, Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- c) Company's contribution to Provident Fund and Superannuation and Pension Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity Payable as per Rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- d) The Managing Director shall, subject to supervision and control of the Board of Directors, be entrusted with such powers and perform such duties, as may, from time to time, be delegated/ entrusted to him.

II) Other Terms and Conditions:

- 1) The tenure of the Managing Director shall be for a period of 3 years commencing from July 1, 2004.
- 2) The Managing Director shall be vested with substantial powers of the Management of the day to day affairs of the Company subject to the supervision and direction of the Board of Directors of the Company.
- 3) The Managing Director will devote his time and efforts for the business of the Company and its subsidiaries.
- 4) The following disclosures are being made in this Explanatory Statement in compliance with Paragraph 1(C) of Section II in Part II of Schedule XIII to the Companies Act, 1956.
 - a) General information
 - 5) The Company was incorporated in the year 1981 with the main object of printing and publishing of newspapers, magazines, books and journals etc.
 - 6) Operational Performance of the Company for the financial year 2002-03 and 2003-04 is as follows.

(Rs. in Lacs)

Particulars	2003-04	2002-03
Sales and other Income	9487.47	8972.72
Profit Before Tax	1315.86	591.73
Profit After Tax	906.86	359.73
Paid up Equity Capital	3405.30	3405.30
Reserves & Surplus	6061.87	5155.01
Basic Earning per Share (Rs.)	2.66	1.06

- 7) The Company has not earned any foreign exchange during the financial year 2002- 03 and 2003-04.

Information about appointee:

Mr. Tarique Ansari has completed his Bachelor of Business Administration from University of Notre Dame, USA. In 1983 he joined the Company as an Executive Assistant to the Managing Director. He continued in this post till 1985 when he became a Director.

He became the Managing Director of the Company in 1988. He looks after the management and administration of the Company under the overall supervision, control and the direction of the Board of Directors. There has been a tremendous growth in the operations of the Company during his tenure due to his competence and experience.

Taking into account financial position of the Company, trend in the industry, his qualifications and experience, the terms of his re-appointment and remuneration as set out in the resolution are considered to be just, fair and reasonable.

He is a key promoter of the Company and owns 11.25 percent Equity stake in the Company as of date.

The total remuneration drawn by Mr. Tarique Ansari for the financial year 2002-03 and 2003-04 was Rs. 15,78,000 and 19,05,161 respectively.

Besides his remuneration, Mr. Tarique Ansari does not have any other pecuniary relationship with the Company. He is a son of Mr. Khalid A.H. Ansari, Chairman of the Company.

Other information

- (a) Currently, the Company is performing well. However, in the event of unforeseen circumstances and conditions beyond the control of the Company, the profitability of the Company may be affected.
- (b) The Company is looking at new business opportunities and new markets to grow.
- (c) The Company is expected to perform well in future.

Disclosures

- (a) The shareholders are being informed of the remuneration package by way of explanatory statement as given above.
- (b) The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.
- (c) The Board of Directors and the Managing Director have reached agreement on the terms of employment. After obtaining approval from shareholders, the Board will formally execute an agreement with the Managing director reflecting these terms.
- (d) None of the Directors, except Mr. Tarique Ansari and Mr. Khalid Ansari, is concerned or interested in passing of the resolution.
- (e) The terms and conditions of Mr. Tarique Ansari's re-appointment and remuneration as set out above may also be treated as an abstract of the Agreement between the Company and Mr. Tarique Ansari pursuant to section 302 of the Companies Act, 1956.
- (f) The Resolution regarding the remuneration and re-appointment of Mr. Tarique Ansari as the Managing Director of the Company is commended for acceptance by the Members.

ITEM NO. 6

The present Authorised Share Capital of the Company is Rs.40 Crores. In view of the proposal for issue of Bonus Shares, it is proposed to increase the Authorised Share Capital of the Company from Rs.

40,00,00,000 (Rupees Forty Crores only) divided into 4,00,00,000 equity shares of Rs. 10 each to Rs. 50,00,00,000 (Rs. Fifty Crores only) divided into 5,00,00,000 equity shares of Rs. 10 each.

The Board of Directors at their meeting held on May 10, 2004, approved the proposal for increase in Authorised Share Capital of the Company and consequent amendments to the Memorandum and Articles of Association of the Company.

Increase in Authorised Share Capital would necessitate amendment to the Clause V of the Memorandum of Association and Clause 3 of Article of Association of Company and would require member's approval by passing a Special Resolution.

None of the directors may be considered to be interested or concerned in this Resolution.

ITEM NO. 7

The Board of directors at their meeting held on May 10, 2004 took into account the excellent performance of the Company for the year 2003-2004 and recommended issue of Bonus shares in the ratio of 1:4 (one equity share of Rs. 10 each as Bonus Share for every four fully paid-up equity shares held by them on the eve of the 25th anniversary of launch of Mid Day, subject to approval in the Annual General Meeting by an Ordinary Resolution.

Bonus Share shall be issued by capitalising the amount standing to the credit of the General Reserve Account or Share Premium Account or Profit or Loss Account as on March 31, 2004 as may be decided by the Board.

The Bonus Shares are proposed to be listed on The Stock Exchange, Mumbai and The National Stock Exchange of India Limited subject to approval of the relevant Stock Exchanges and other concerned authorities.

The proposal is in conformity with the guidelines issued by the Securities & Exchange Board of India. The new Equity Shares shall rank pari passu in all respects with the existing Equity Shares and will be entitled to a full dividend to be declared, if any for the year 2004-2005.

None of the directors may be considered to be interested or concerned in this resolution, except to the extent of their respective shareholdings in the Company.

By Order of the Board of Directors
For **Mid-Day Mutimedia Limited**

Vidya Shembekar
Company Secretary

Registered Office:
156-D, J. Dadajee Road,
Tardeo,
Mumbai - 400 034.
Mumbai, 10th May, 2004