



CINERAD COMMUNICATIONS LIMITED

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TWENTYFIRST
A N N U A L
R E P O R T
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CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

DIWAKAR GANDHI

(CHAIRMAN)

RIYA GANDHI

(DIRECTOR)

ABHINEET GUPTA

(DIRECTOR)

ASHOK KUMAR BANSAL

(DIRECTOR Cum COMPANY SECRETARY)

COMPANY SECRETARY

S. V. PRABHU

(till 20-08-07)

AUDITORS

RASTOGI NARAIN & CO.

Chartered Accountants

BANKERS

AXIS BANK(Formerly UTI Bank)

BANK OF BARODA

REGISTERED OFFICE

G-3, Bombay Market Apartments Co-Op Society Limited

78, Tardeo Road, Tardeo

Mumbai-400034

CORPORATE OFFICE

W-5, First Floor

Green Park Main

New Delhi -110016

REGISTRARS AND SHARE TRANSFER AGENTS

System Support Services

209, Shivaji Industrial Estate

89, Andheri Kurla Road

Sakinaka, Near L.I.C

Mumbai-400072

21st Annual Report

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of CINERAD COMMUNICATIONS LIMITED will be held at Kilachand Conference Room, 2nd Floor, India Merchant Chambers Building, IMC Marg, Churchgate, Mumbai-400 020, on Friday, 28th September, 2007 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. 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 :

3. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -
"RESOLVED THAT Mr. Diwakar B. Gandhi who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 13th October, 2006 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."
4. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: -
"RESOLVED THAT Ms. Riya Gandhi who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 13th October, 2006 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is 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. Abhineet Gupta who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 29th January, 2007 and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION -
"RESOLVED THAT Mr. Ashok Kumar Bansal who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 20th August, 2007 & Full time Company Secretary and who as Director holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, whose period of office is liable to retire by rotation."

Notes:

1. Explanatory Statement setting out all material facts relating to special business contained in item Nos. 3 to 6 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of this meeting. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.



3. The Register of Members and the Share Transfer Registers of the Company will remain closed on 28.09.2007
4. Members are requested to notify change of address, if any, (a) to their respective Depository Participant in case of shares held in electronic form and (b) to the Company's Registrars & Transfer Agents, M/s System Support Services, 209, Shivai Industrial Estate, 89 Andheri Kurla Road, Sakinaka, Near L.I.C., Mumbai- 400 072, in case of shares held in physical form.
5. Any Member desirous of obtaining any information pertaining to the Accounts may forward such queries in writing to the Accounts Department at the Corporate Office of the Company at least 10 days prior to the Meeting in order to enable the Company to keep the information ready to the extent possible.
6. Members or their Authorized Representatives/Proxies are requested to bring their copies of Annual Report at the Meeting.

For and on behalf of the Board of Directors

Diwakar Gandhi
Chairman

Registered Office :
G-3, Bombay Market Apartments
78, Tardeo Road
Mumbai- 400 034
Dated: 20.08.2007

Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking reappointment at the forthcoming Annual General Meeting

1. Mr. Diwakar B Gandhi

Mr. Diwakar B Gandhi, aged 49 years, is a qualified Chartered Accountant. He is having an experience of more than 25 years of the Industry, Corporate & Financial Sector.

Directorship held in other Companies

- i) India Emerging Infrastructure Pvt Ltd.
- ii) A to Z Telecom Pvt Ltd.
- iii) Mount Aravali Financial Services P Ltd.
- iv) Pinkwood Palace & Resorts Pvt. Ltd.
- v) Pinkton Hotels Pvt Ltd.
- vi) Ecotec Developers Pvt Ltd.

Membership in committees in other Companies

Nil

2. Ms. Riya Gandhi

Ms. Riya Gandhi, aged 22 years, is a graduate from University of Oxford, Brookes, Oxford, U.K. She has an overall experience of over 4 years in the field of Finance, Accounts and Capital Market.

Directorship held in other Companies

- i) India Emerging Capital Pvt. Ltd.
- ii) Horizon Infoplay Ltd.
- iii) Pinkwood Palace & Resorts Pvt. Ltd.
- iv) Meenakshi Capital Services Pvt Ltd.

Membership in committees in other Companies

Nil

3. Mr. Abhineet Gupta

Mr. Abhineet Gupta, aged 28 years, is a Master in Commerce from M. L. Sukhadiya University, Rajasthan. He has an overall experience of over 6 years in the field of Finance, Accounts.

Directorship held in other Companies

- i) Anurag Fincap Services P Ltd.
- ii) Mount Aravali Financial Services P Ltd.
- iii) Pinkton Hotels Pvt. Ltd.

Membership in committees in other Companies

Nil

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4. **Mr. Ashok Kumar Bansal**

Mr. Ashok Kumar Bansal, aged 34 years, is Member of Institute of Company Secretaries of India. (A.C.S.) & Commerce Graduate from Delhi University, He has an overall experience of over 13 years in the field of Finance, Accounts and Capital Market Operations.

Directorship held in other Companies

i) Legal Process Outsourcing Pvt Ltd.

Membership in committees in other Companies

Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED AND FORMING PART OF THE NOTICE DATED 20TH AUGUST, 2007

Item No. 3

Mr. Diwakar Gandhi was appointed on 13.10.2006 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. Diwakar Gandhi as a Director of the Company.

The Board also considers that it would be in the interest of the Company to have Mr. Diwakar Gandhi on the Board of the Company for his valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

None of the Director except Mr. Diwakar Gandhi & Ms. Riya Gandhi are concerned or interested in this resolution.

Item No. 4

Ms. Riya Gandhi was appointed on 13.10.2006 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Ms. Riya Gandhi as a Director of the Company.

The Board also considers that it would be in the interest of the Company to have Mr. Riya Gandhi on the Board of the Company for his valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

None of the Director except Ms. Riya Gandhi & Mr. Diwakar Gandhi are concerned or interested in this resolution.

Item No. 5

Mr. Abhineet Gupta was appointed on 29.01.2007 as an Additional Director of the Company under Section 260 of the Companies Act, 1956. He holds office till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. Abhineet Gupta as a Director of the Company.

The Board also considers that it would be in the interest of the Company to have Mr. Abhineet Gupta on the Board of the Company for his valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

None of the Director except Mr. Abhineet Gupta is concerned or interested in this resolution.

Item No. 6

Mr. Ashok Kumar Bansal was appointed on 20.08.2007 as an Additional Director of the Company under Section 260 of the Companies Act, 1956 & full time Company Secretary in place of Mr. S.V. Prabhu who hold the position of Company Secretary till 20.08.2007. He holds office as a Director till this Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from a member of the Company proposing the candidature of Mr. Ashok Bansal as a Director of the Company. Mr. Ashok Bansal is a member of the Institute of Company Secretaries of India and having vast experience of Corporate Compliance etc. The Board also considers that it would be in the interest of the Company to have Mr. Ashok Bansal on the Board of the Company & as a company secretary in the full time employment of the company for his valuable contribution and members are requested to pass the said resolutions as an Ordinary resolution.

None of the Director except Mr. Ashok Kumar Bansal is concerned or interested in this resolution.

For and on behalf of the Board of Directors

Diwakar Gandhi
Chairman

Registered Office :
G-3, Bombay Market Apartments
78, Tardeo Road
Mumbai- 400 034
Dated: 20.08.2007



DIRECTORS' REPORT

Dear Members

Your Directors present the 21st Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS

The Financial results of the company are as under:

	Year Ended 31-03-2007	(Rs. in Lakhs) Year Ended 31-03-2006
Loss before Depreciation and Taxation	(15.47)	(67.52)
Less : Extra Ordinary & Abnormal Items	13.13	17.33
Less : Depreciation	21.26	25.93
Less : Provision for Taxation & Deferred Tax	0.02	0.95
Profit / (Loss) after Depreciation & Taxation	(49.89)	(108.13)
Balance brought forward from Previous year	(495.63)	(387.50)
Balance carried forward	(545.52)	(495.63)

In view of losses incurred, the Directors do not recommend payment of dividend for the year ended 31st March, 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Industry Structure and Development

India has experienced rapid Growth in recent years. India's GDP grew at 8.1% , 8.4% , and 9.4% in fiscal 2005 , 2006 and 2007 respectively. In the current fiscal, Industrial growth was driven by robust performance from manufacturing, Constructions , Real estate sector and Services sector .

Entertainment Industry

The Indian entertainment industry has out-performed the Indian economy in last few year and is one of the fastest growing sectors in India.

The Indian Media and Entertainment sector is poised to enter a golden era. One of the largest markets in the world, the industry is seeing strong growth and has the potential to garner US\$ 200 billion by 2015. The eighth Price water house Coopers Global Entertainment and Media Outlook has ranked India as the fastest growing market in the world for spends in entertainment and media in the next five years. India will be one of the key drivers in pushing the global entertainment and media industry to US\$ 2 trillion by 2011. With a compound annual growth rate (CAGR) of 18.5 per cent, the Indian entertainment and media industry is the fastest growing in the Asia-Pacific, says the study. Another report, by PricewaterhouseCoopers shows that revenues across the Indian media and entertainment segment grew by 20 per cent in 2006 to US\$ 9.71 billion and the country's overall advertising spending grew by 23 per cent to US\$ 3.62 billion.

International media giants are all vying for a stake in the segment. In the last three years, US\$ 88 million of foreign direct investment (FDI) has flowed into the sector and in 2006, 13 FDI proposals were approved by the Government. The sector's growth is being propelled by a number of factors such as the corporatisation of the film industry, a booming television sector, a fast growing radio sector, a growing market for print products and other technological changes. India is ready to embrace and grow along with the changes the industry is undergoing globally.

Performance

Your Company has, in the previous years, changed the management and taken over by the new management. Therefore in the previous year there is no activity on operation side.

During the year under review, the Company has a total income of Rs. 11.47 lakhs as against Rs. 11.53 lakhs in the previous year. The Company has made an operating profit during the year of Rs. 2.30 lakhs, as against an operating loss of Rs. 67.51 lakhs for the previous year. However, owing to loss on sale of obsolete asset , the loss after depreciation and taxation for the year is Rs. 49.89 lakhs; as against a loss after depreciation and taxation of Rs. 108.12 lakhs for the previous year.

The new management has decided to completely restructure the operations of the company. The first step in this direction was to discontinue all un productive expenditure and overhead with immediate effect. Though the

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period under the review with new management is less than half year we have been successive in bringing down administrative & General expenditure to Rs. 903681/- (previous year 7570981/-) . This should be further down during current year. The management has decided to keep overhead to bare minimum till a new business plan with identified revenue streams is in Place.

Outlook

The Indian Entertainment and Media Industry has out-performed the Indian economy and is one of the fastest growing sectors in India. It is rising on the back of economic growth and rising income levels that India has been experiencing in the past years. This is significantly benefiting the entertainment and media industry in India as this is a cyclically sensitive industry and it grows faster when the economy is expanding. An added boost to the entertainment and media industry in India is from the demographic point of view where the consumer spending is rising due to increasing disposable incomes on account of sustained growth in income levels and reduction of personal income tax over the last decade.

The current size of the industry as a whole is estimated at US\$ 7 billion in 2004 and is expected to grow at a CAGR of 14 per cent to US\$ 13 billion by 2009. The Filmed Entertainment and Television segment dominate the industry followed by the Print, Radio and the Music segments.

Segment-wise Reporting

The Company has only one segment and segment-wise reporting does not apply to it.

Internal Control & Systems

The Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the company are adequately safe-guarded against significant misuse and loss. Significant findings of the Internal Auditor are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation.

Personnel

Relations with employees remained cordial during the year. The total number of people employed in the Company on an average, during the year under review, was 02.

Cautionary Statement

The Statements forming part of the Director's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

Fixed Deposits

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

Directors

Mr. Diwaker Gandhi who was appointed as an additional director during the year is being eligible offer himself for reappointment . Your Directors recommend his reappointment.

Ms. Riya Gandhi who was appointed as additional director during the year is being eligible offer herself for reappointment . Your Directors recommend his reappointment.

Mr. Abhineet Gupta who was appointed as additional director during the year is being eligible offer himself for reappointment . Your Directors recommend his reappointment.

Mr. Zafar Hai, Mr. Javed Gaya, Mr. Rashpal Malhotra & Mr. Pramod Jain directors of the Company have resigned from the Directorship during the year under review. The Board of Directors sincerely appreciate the services rendered by them during their tenure as Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of annual accounts the applicable accounting standards have been followed ;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2007 and the loss of the company for the year ;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing



and detecting fraud and other irregularities.

- That the Directors have prepared the annual accounts on a 'going concern' basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Director's Report and the certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance as stipulated in 'Clause 49 of the Listing Agreement is included in the Annual Report.

AUDITORS

The Auditors M/s Rastogi Narain & Co., Chartered Accountants, retire at this Annual General Meeting and are eligible for re-appointment. They have confirmed that their appointment, if made, will be accordance with the limits specified in Section 224(1-B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There were no employees covered by the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules 1975, as amended.

INFORMATION PURSUANT TO SECTION 217(1)(e)

Provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company, in respect of Conservation of Energy and Technology Absorption and Research & Development.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lacs) 31-03-2007	(Rs. in Lacs) 31-03-2006
Total Foreign exchange earned	1.10	NIL
Total Foreign exchange used	NIL	4.66

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contribution of employees at all levels. Your Directors also take this opportunity to thank the Company's Bankers, Shareholders and all others concerned for their valuable support and co-operation extended to the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Diwakar Gandhi
Chairman

Place: New Delhi
Date: 29.06.2007