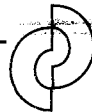


**CINERAD COMMUNICATIONS LIMITED**

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## **CINERAD COMMUNICATIONS LIMITED**

### **BOARD OF DIRECTORS**

**DIWAKAR GANDHI**

*(CHAIRMAN)*

**RIYA GANDHI**

*(DIRECTOR)*

**ABHINEET GUPTA**

*(MANAGING DIRECTOR)*

**ASHOK KUMAR BANSAL**

*(DIRECTOR CUM COMPANY SECRETARY)*

### **AUDITORS**

**RASTOGI NARAIN & CO.**

*Chartered Accountants*

### **BANKERS**

**AXIS BANK LTD.**

**BANK OF BARODA**

### **REGISTERED OFFICE**

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

78, Tardeo Road, Tardeo

Mumbai-400034

### **CORPORATE OFFICE**

B-19, First Floor

Greater Kailash Enclave Part-1,

New Delhi -110048.

### **REGISTRARS AND SHARE TRANSFER AGENTS**

System Support Services

209, Shivai Industrial Estate

89, Andheri Kurla Road

Sakinaka, Near L.I.C

Mumbai-400072

## 22nd Annual Report

## NOTICE

Notice is hereby given that the 22nd 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, Churugate, Mumbai-400 020, on Saturday, 27th September, 2008 at 10.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2008 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 a Director in Place of Mr. Diwakar Gandhi who retires by rotation and being eligible offers himself for reappointment.
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 a SPECIAL RESOLUTION :-  
"RESOLVED that pursuant to Section 269,198,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act amended upto date, the consent of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr. ABHINEET GUPTA Managing Director of the Company for three years from 30th August 2008 to 29th July 2011 as recommended by the Remuneration Committee of the Directors and approved by the Board of Directors on 30.08.2008 on the terms and conditions including remuneration as minimum remuneration in the case of loss or inadequacy of profits in any financial year as set out in the explanatory statement, which shall be deemed to form part thereof."

**Notes:**

1. Explanatory Statement setting out all material facts relating to special business contained in item No. 4 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
3. The Register of Members and the Share Transfer Registers of the Company will remain closed on 27.09.2008
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, Shival 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

Ashok kumar Bansal  
Company Secretary



Registered Office :  
G-3, Bombay Market Apartments  
78, Tardeo Road  
Mumbai- 400 034  
Dated: 30.08.2008

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED AND FORMING PART OF THE NOTICE DATED 30TH AUGUST, 2008**

**Item No. 4**

Being the director of the Company, Mr. Abhineet Gupta is associated with the Company with the Company w.e.f. 29.01.2007 and have made considerable contribution in working & growth of the Company. His efforts, knowledge and experience have been instrumental in the progress of the Company over the years.

The Board of Directors of the Company re-appointed Mr. Abhineet Gupta, Director of the Company as Managing Director of the Company under Section 269 of the Companies Act, 1956 for a period of three years w.e.f. 30.08.2008 and payment of remuneration to him as per the terms and conditions detailed below:

**The terms and conditions of re-appointment of Mr. Abhineet Gupta as Managing Director :-**

**1. Period :**

The appointment is effective from 30th August, 2008 for a period of three years i.e. up to 29th July, 2011. Mr. Abhineet Gupta shall be a non-rotational director till he is managing Director of the Company.

**2. Overall Remuneration :**

Subject to the provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to the Managing Director in any financial year shall not exceed 5% (five percent of the net profit of the Company), or such other limits as may be specified under the relevant legislation prevailing from time to time. Within the aforesaid ceiling, the remuneration payable to him shall be as follows :

**a. Salary**

Rs. 18000/- to 50000/-) per month. The Current Salary of the Managing Director would be 18000/- per month which may be increased up to 50000/- per month by the Board of Director of the Company depending upon the growth of the Company.

**b. Perquisites**

i. In addition to above remuneration the Managing Director 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.

**c. 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.**

**d. Gratuity :** One half months salary for each completed year of service in accordance with the rules of the Company.

**4. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.

**5. Functions**

Subject to the superintendence, control and direction of the Board of Directors of the Company the Managing Director shall have substantial powers of management including day to day affairs of the Company and shall exercise other duties and functions as may be delegated/assigned to

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him by the Board of Directors/Committee of Directors from time to time.

### 6. Sitting Fee

He shall not be paid any sitting fee for attending the Meeting of Board or Committee thereof.

### 7. He shall not, so long as he functions as a Managing Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company. This Explanatory Statement together with the accompanying Notice may be regarded as an abstract of terms of contract or variations and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of Members.

Apart from Mr. Abhineet Gupta no other director be deemed to be considered as interested in the resolution.

## **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 50 years, is a qualified Chartered Accountant. He is having an experience of more than 26 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) Horizon Infoplay Ltd.
- v) Indiaemerging Advisor Ltd.

#### **Membership in committees in other Companies**

Nil

### 2. **Mr. Abhineet Gupta**

Mr. Abhineet Gupta , aged 29 years, is a Master in Commerce from Mohanlal Sukhadiya University. He has an overall experience of over 7 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) Riverbank Hotels P Ltd.
- iv) Riverwood Resorts P Ltd.

#### **Membership in committees in other Companies**

Nil



## DIRECTORS' REPORT

Dear Members

Your Directors present the 22nd Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2008.

### FINANCIAL RESULTS

The Financial results of the company are as under:

	Year Ended 31-03-2008	(Rs. in Lakhs) Year Ended 31-03-2007
Loss before Depreciation and Taxation	(2.10)	(15.47)
Less : Extra Ordinary & Abnormal Items	00.00	13.13
Less : Depreciation	18.08	21.26
Less : Provision for Taxation &	0.12	0.02
Profit / (Loss) after Depreciation & Taxation	(20.18)	(49.89)
Balance brought forward from Previous year	(545.52)	(495.63)
Balance carried forward	(565.81)	(545.52)

In view of losses incurred, the Directors do not recommend payment of dividend for the year ended 31st March, 2008.

### 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 2006 , 2007 and 2008 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 year, not done much activity on operation side.

During the year under review, the Company has a total income of Rs. 21.42 lakhs as against Rs. 11.47 lakhs in the previous year. The Company has made an operating loss during the year of Rs. 2.10 lakhs, as against an operating profit of Rs. 2.30 lakhs for the previous year. However, the loss after depreciation and taxation for the year is Rs. 20.17 lakhs, as against a loss after depreciation and taxation of Rs. 49.87 lakhs for the previous year.

The management is taking best efforts to start the operation at full scale. 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



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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 08.

### 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 director & is liable to be retired by rotation during the year is being eligible offer himself for reappointment. Your Directors recommend his reappointment.

### 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, 2008 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.

### COMPLIANCE CERTIFICATE

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**

	(Amount in Rs.) 31-03-2008	(Amount in Rs.) 31-03-2007
Total Foreign exchange earned	NIL	1.10
Total Foreign exchange used	NIL	NIL

**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: 30.06.2008

