

CINERAD COMMUNICATIONS LIMITED

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TWENTY THIRD
A N N U A L
R E P O R T
2 0 0 8 - 2 0 0 9

CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

DIWAKAR GANDHI
(CHAIRMAN)

ABHINEET GUPTA
(MANAGING DIRECTOR)

MUKESH PATHAK
(DIRECTOR)

S.C.SACHDEVA
(DIRECTOR)

ASHOK KUMAR BANSAL
(COMPANY SECRETARY)

AUDITORS

RASTOGI NARAIN & CO.
Chartered Accountants

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BANKERS

AXIS BANK LTD.
BANK OF BARODA

REGISTERED OFFICE

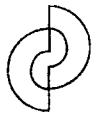
G-3, Bombay Market Apartments Co-Op Society Limited
78, Tardeo Road, Tardeo
Mumbai-400034

CORPORATE OFFICE

B-19, First Floor
Greater Kailash Enclave Part-1,
New Delhi -110048.

REGISTRARS AND SHARE TRANSFER AGENTS

System Support Services
209, Shivaji Industrial Estate
89, Andheri Kurla Road
Sakinaka, Near L.I.C
Mumbai-400072



NOTICE

Notice is hereby given that the 23rd 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 Friday, 25th September, 2009 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, 2009 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 an ORDINARY RESOLUTION: -
"RESOLVED THAT Mr. Mukesh Pathak who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 25th August, 2009 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. S.C. Sachdeva who was appointed under Section 260 of the Companies Act, 1956 as an additional director of the Company w.e.f. 25th August, 2009 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."

Notes:

1. Explanatory Statement setting out all material facts relating to special business contained in item Nos. 4 to 5 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 25.09.2009
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.

23rd Annual Report

For and on behalf of the Board of Directors

Ashok Kumar Bansal
Company SecretaryRegistered Office:
G-3, Bombay Market Apartments
78, Tardeo Road
Mumbai- 400 034
Dated: 25.08.2009**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED AND FORMING PART OF THE NOTICE DATED 25TH AUGUST, 2009****Item No. 4**

Mr. Mukesh Pathak was appointed on 25.08.2009 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. Mukesh Pathak as an Independent Director of the Company.

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

None of the Director except Mr. Mukesh Pathak is concerned or interested in this resolution.

Item No. 5

Mr. S.C. Sachdeva was appointed on 25.08.2009 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. S.C. Sachdeva as an Independent Director of the Company.

The Board also considers that it would be in the interest of the Company to have Mr. S.C. Sachdeva 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. S.C. Sachdeva is concerned or interested in this resolution.

For and on behalf of the Board of Directors

Ashok Kumar Bansal
Company SecretaryRegistered Office:
G-3, Bombay Market Apartments
78, Tardeo Road
Mumbai- 400 034
Dated: 25.08.2009



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 51 years, is a qualified Chartered Accountant. He is having an experience of more than 27 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 Arrawali Financial Services P Ltd.
- iv) Horizon Infoplay Ltd.
- v) Indiaemerging Advisors Ltd.

Membership in committees in other Companies

Nil

2. Mr. Mukesh Pathak

Mr. Mukesh Pathak, aged 58 years, is also a chartered Accountant; He has an overall experience of more than 30 years in the field of Finance, Accounts and Logistics etc.

Directorship held in other Companies

Nil

Membership in committees in other Companies

Nil

3. Mr. S.C. Sachdeva

Mr. S.C. Sachdeva aged 63 years, is M.Tech from IIT Kanpur, He has an overall experience of more than 35 years in the Petroleum Sector.

Directorship held in other Companies

- i. K. L. Projects Pvt. Ltd.
- ii. True God India Pvt. Ltd.

Membership in committees in other Companies

Nil

23rd Annual Report

DIRECTORS' REPORTDear Members

Your Directors present the 23rd Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

The financial results of the company are as under:

	Year ended 31-03-2009	(Rs.in Lakhs) Year ended 31-03-2008
Loss before depreciation and taxation	(43.84)	(2.10)
Less: Depreciation	18.74	18.08
Less: Provision for Taxation	1.17	.12
Profit/(Loss) after depreciation & Tax	(63.75)	(20.30)
Balance brought forward from previous yr.	(565.82)	(545.52)
Balance carried forward	(629.57)	(565.82)

In view of losses incurred, the Directors do not recommend payment of dividend for the year ended 31st March-2009.

MANAGEMENT DISCUSSION AND ANALYSIS**Business Overview****Industry Structure and Development**

India has experienced rapid Growth in recent years India's GDP grew at 8.4%, 9.4% and 6.7% in fiscal 2007, 2008 and 2009 respectively. In the current fiscal, Industrial growth was driven by robust performance from Agriculture, Industry 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. International media giants are all vying for a stake in the segment. In the last few years, lot of foreign direct investment (FDI) has flowed into the sector and the Government approved the proposals.

The sector's growth is being propelled by a number of factors such as the corporatism 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.

In a sector already marked by significant change in recent years, the combination of new digital distribution modalities and evolving audience consumption habits and demands will continue to challenge traditional media and entertainment (M&E) business models during 2009. It also could mark the beginning of a radical transformation that reshapes the entire M&E ecosystem.

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.29.17 lakhs as against Rs. 21.42 lakhs in the previous year. The Company has made an operating loss during the year of Rs. 43.84 lakhs, as against an operating loss of Rs. 2.10 lakhs for the previous year. However, the loss after depreciation and taxation for the year is Rs.63.75 lakhs, as against a loss after depreciation and taxation of Rs. 20.30 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



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.

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 10.

Increase in Share Capital

During the year, Company issued 75,00,000 warrants to the promoters on 11.07.2008 convertible into equity shares at the option of the buyer at Rs.10/- each at the premium of Rs.4/- per warrant whereas company received 10% upfront amount on the warrants and the remaining amount of 90% at the time of the conversion of the warrants into equity shares within 18 months from the date of issue of warrants.

The Authorised Capital of the Company has also been increased from Rs 10 crores to Rs. 15 crores in the Extraordinary General Meeting of the members held on 21st June 2008.

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. Diwakar 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, 2009 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, retires at this Annual General Meeting and are eligible for re-appointment. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224(1-B) of the Companies Act, 1956.

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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 Lakhs) <u>31-03-2009</u>	(Amount in Lakhs) <u>31-03-2008</u>
Total Foreign exchange earned	NIL	NIL
Total Foreign exchange used	4.52	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: 29.06.2009

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