



CINERAD COMMUNICATIONS LIMITED



TWENTY SIXTH
ANNUAL
REPORT
2011-2012

CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

<i>PRADEEP KUMAR DAGA</i>	-	<i>DIRECTOR</i>
<i>VINITA DAGA</i>	-	<i>DIRECTOR</i>
<i>MANMOHAN RAGHUNATHPRASAD PRAHLADKA</i>	-	<i>INDEPENDENT DIRECTOR</i>
<i>BISHAMBAR PACHISIA</i>	-	<i>INDEPENDENT DIRECTOR</i>
<i>DILIP KUMAR HELA</i>	-	<i>INDEPENDENT DIRECTOR</i>

AUDITORS

RASTOGI NARAIN & CO.

Chartered Accountants

BANKERS

AXIS BANK LTD.

HDFC BANK LTD.

REGISTERED OFFICE

Premises No.55, Ground Floor

Om Heera Panna Premises Co-op, Society Ltd.

Oshiwara, Andheri (W), Mumbai-400053, Maharashtra

CORPORATE OFFICE

Subol Dutt Building

13, Brabourne Road, Mezzanine Floor

Kolkata-700 001

REGISTRAR AND SHARE TRANSFER AGENTS

System Support Services

209, Shivai Industrial Estate

89, Andheri Kurla Road

Sakinaka, Near L.I.C

Mumbai- 400 072

NOTICE

Notice is hereby given that the Twenty Sixth 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 Saturday, 15th September, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended March 31, 2012 and the Report of the Board of Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provision of Section 224(2) of the Companies Act 1956, M/s. Maroti & Associates, Chartered Accountants, be and is hereby appointed in place of the retiring auditors, M/s. Rastogi Narain & Co., Chartered Accountants, to hold office of the Auditors till conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company."

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. Manmohan Raghunathprasad Prahladka, who was appointed as an Additional Director w.e.f 1st January, 2012, and who holds the office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received notice proposing his candidature for the office of the Director under section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, 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 Mrs. Vinita Daga, who was appointed as an Additional Director w.e.f 4th February, 2012, and who holds the office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received notice proposing her candidature for the office of the Director under section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, 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. Bishambar Pachisia be and is hereby appointed as Director in place of Mr. Mukesh Pathak, a Director liable to retire by rotation but who does not seek re-election".

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Dilip Kumar Hela be and is hereby appointed as Director in place of Mr. Subhash Chandra Sachdeva, a Director liable to retire by rotation but who does not seek re-election".

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Pradeep Kumar Daga who was appointed as an Additional Director w.e.f 4th February, 2012 and who holds the office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received notice proposing his candidature for the office of the Director under section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company".

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provision of section 198, 269, 309 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and/ or any notification which the Central Government may issue from time to time) and in accordance with the provision of the Articles of Association, the consent of members be and is hereby accorded for appointment of Mr. Pradeep Kumar Daga as a Managing Director of the Company for a period of 5 (Five) years, w.e.f. 1st September, 2012 whose period of office will not be liable for determination by retirement by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Extra Ordinary General Meeting, with liberty to the Board of Directors and Remuneration committee to alter and vary the terms and condition of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Pradeep Kumar Daga subject to the same not exceeding the limits specified in Schedule XIII to the Act, including any statutory modification re-enactment by the Central Government in that behalf from time to time, or amendments thereto.”

“RESOLVED FURTHER THAT the above mentioned remuneration shall be paid to Mr. Pradeep Kumar Daga as the minimum remuneration notwithstanding any loss or inadequacy of profit in any financial year during the tenure of his employment as the Managing Director of the Company”.

“RESOLVED FURTHER THAT the Board of Directors and any committee thereof be and are hereby authorized to take all steps as may be necessary, proper and expedient to give effect to the resolution.”

By order of the Board
For **Cinerad Communications Limited**

Pradeep Kumar Daga
Director

Date: 11.08.2012
Place: Kolkata

Notes:

1. **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.
2. The Explanatory Statement setting out all material facts relating to business contained in Item No. 3 to 7 as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
3. 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.
4. The Register of Members and the Share Transfer Registers of the Company will remain closed from 13th September, 2012 to 15th September, 2012.
5. 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.
6. 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.
7. Members or their Authorized Representatives/Proxies are requested to bring their copies of Annual Report at the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 2:

M/s. Rastogi Narain & Co., Chartered Accountants has expressed their unwillingness to be re-appointed vide their letter dated 7th August, 2012. M/s. Maroti & Associates, Chartered Accountants are proposed to be appointed as Statutory Auditor of the Company at the ensuing Annual General Meeting. They have given their consent that if their appointment made, will be within the limits in accordance with 224(1B) of the Companies Act, 1956.

The Board commends acceptance of the resolution set out in Item No. 2 of the convening Notice.

None of the Directors is concerned or interested in the resolution at Item No. 2 of the Notice.

ITEM NO. 3:

The Board of Directors of the Company appointed Mr. Manmohan Raghunathprasad Prahadka as the Additional Directors of the Company w.e.f. 1st January, 2012, pursuant to the provisions of sec. 260 of the Companies Act, 1956 and Article 147 of the Articles of Association of the Company and will hold office of the Director upto the conclusion of ensuing Annual General Meeting. The Company has received notices under section 257 of the Companies Act, 1956, recommending his candidature for re-appointment, along with necessary deposit amount. Hence the Board recommends his appointment as the Director, at the ensuing Annual General Meeting.

Mr. Manmohan Raghunathprasad Prahadka has given their consent to act as Director of the Company, if appointed and further declares that he has not been disqualified to be appointed as Director of the Company pursuant to section 274(1)(g) of the Companies Act, 1956.

The Board commends acceptance of the resolution set out in Item No. 3 of the convening Notice.

None of the Directors other than Mr. Manmohan Raghunathprasad Prahadka is concerned or interested in the resolution at Item No. 3 of the Notice.

ITEM NO. 4:

The Board of Directors of the Company appointed Mrs. Vinita Daga as the Additional Director of the Company w.e.f. 4th February, 2012, pursuant to the provisions of sec. 260 of the Companies Act, 1956 and Article 147 of the Articles of Association of the Company and will hold office of the Director upto the conclusion of ensuing Annual General Meeting.

The Company has received notices under section 257 of the Companies Act, 1956, recommending her candidature for re-appointment, along with necessary deposit amount. Hence the Board recommends her appointment as the Director, at the ensuing Annual General Meeting.

Mrs. Vinita Daga has given their consent to act as Director of the Company, if appointed and further declares that she has not been disqualified to be appointed as Director of the Company pursuant to section 274(1)(g) of the Companies Act, 1956.

The Board commends acceptance of the resolution set out in Item No.4 of the convening Notice.

None of the Directors other than Mrs. Vinita Daga is concerned or interested in the resolution at Item No. 4 of the Notice.

ITEM NO. 5:

Mr. Mukesh Pathak, one of the Directors liable to retire by rotation at this meeting, has informed the Company that he does not wish to seek re-appointment. Therefore, it is proposed to appoint Mr. Bishambar Pachisia, as a Director on the Board of Directors of the Company (in place of Mr. Mukesh Pathak) at the forthcoming Annual General Meeting. The Board of Directors of the Company appointed Mr. Bishambar Pachisia as the Additional Director of the Company w.e.f. 11th August, 2012, pursuant to the provisions of sec. 260 of the Companies Act, 1956 and Article 147 of the Articles of Association of the Company and will hold office of the Director upto the conclusion of ensuing Annual General Meeting. The Company has received from a member a Notice in writing in terms of Section 257 of the Companies Act, 1956, signifying their intention to propose the appointment of Mr. Bishambar Pachisia, as a Director on the Board of Directors of the Company at the forthcoming Annual General Meeting, along with necessary deposit amount.

Mr. Bishambar Pachisia has given their consent to act as Director of the Company, if appointed and further declares that he has not been disqualified to be appointed as Director of the Company pursuant to section 274(1)(g) of the Companies Act, 1956.

The Board commends acceptance of the resolution set out in Item No. 5 of the convening Notice.

None of the Directors other than Mr. Bishambar Pachisia is concerned or interested in the resolution at Item No. 5 of the Notice.

ITEM NO. 6:

Mr. Subhash Chandra Sachdeva, one of the Directors liable to retire by rotation at this meeting, has informed the Company that he does not wish to seek re-appointment. Therefore, it is proposed to appoint Mr. Dilip Kumar Hela, as a Director on the Board of Directors of the Company (in place of Mr. Subhash Chandra Sachdeva) at the ensuing Annual General Meeting. The Board of Directors of the Company appointed Mr. Dilip Kumar Hela as the Additional Director of the Company w.e.f. 11th August, 2012, pursuant to the provisions of sec. 260 of the Companies Act, 1956 and Article 147 of the Articles of Association of the Company and will hold office of the Director upto the conclusion of ensuing Annual General Meeting. The Company has received from a member a Notice in writing in terms of Section 257 of the Companies Act, 1956, signifying their intention to propose the appointment of Mr. Dilip Kumar Hela, as a Director on the Board of Directors of the Company at the forthcoming Annual General Meeting, alongwith necessary deposit amount.

Mr. Dilip Kumar Hela has given their consent to act as Director of the Company, if appointed and further declares that he has not been disqualified to be appointed as Director of the Company pursuant to section 274(1)(g) of the Companies Act, 1956.

The Board commends acceptance of the resolution set out in Item No. 6 of the convening Notice.

None of the Directors other than Mr. Subhash Chandra Sachdeva is concerned or interested in the resolution at Item No. 6 of the Notice.

ITEM NO. 7 & 8:

The Board of Directors of the Company appointed Mr. Pradeep Kumar Daga as the Additional Directors of the Company w.e.f. 4th February, 2012, pursuant to the provisions of sec. 260 of the Companies Act, 1956 and Article 147 of the Articles of Association of the Company and will hold office of the Director upto the conclusion of ensuring Annual General

Meeting. The Company has received notices under section 257 of the Companies Act, 1956, recommending their candidature for reappointment, along with necessary deposit amount. Upon the receipt of the same, the Board recommends their appointment as Managing Director of the Company for a further period of five years w.e.f 1st September, 2012 subject to the approval of the shareholders at the ensuing Annual General Meeting on the following terms and conditions:

1. **Tenure:**

The appointment of Mr. Pradeep Kumar Daga as the Managing Director shall be for a period of five years w.e.f 1st September, 2012. Mr. Pradeep Kumar Daga shall be non- rotational director till he is the Managing Director of the Company.

2. **Overall Remuneration:**

Subject to the provision of section 198, 269 & 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:**

The basic salary of Mr. Pradeep Kumar Daga shall be Rs. 20,000/- per month which may be increased up to Rs.25,000/- per month by the Board of Directors of the Company depending upon the performance and merit.

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 be as per rules of the Company.**

d. **Gratuity:**

One half months salary for each completed year of service in accordance with the rules of the company.

3. **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.

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

5. **Sitting Fee:**

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

6. 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. Pradeep Kumar Daga 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 appointment at the ensuing Annual General Meeting convened on 15th September, 2012 (pursuant to clause 49 of the Listing Agreement)

1. **Mr. Manmohan Prasad Prahladka**

Mr. Manmohan Prasad Prahladka, aged 51 years, is Under Graduate. He has an overall experience of more than 3 decades in capital & finance market.

Directorship held in other Companies*:

Nil

Membership in committees in other Companies*:

Nil

Shareholding in the Company: *Nil*

2. **Mrs. Vinita Daga**

Mrs. Vinita Daga aged 39 years, is Under Graduate. She has an overall experience of more than four year in Finance and Investment related activities.

Directorship held in other Companies*:

- (a) Responce Commodities Limited
- (b) Jap Merchants Limited

Membership in committees in other Companies*:

Nil

Shareholding in the Company: 11,83,260 equity shares

3. **Mr. Pradeep Kumar Daga**

Mr. Pradeep Kumar Daga, aged 45 years, is a Commerce Graduate. He has an overall experience of more than ten year in Finance, Investment and Capital Market related activities.

Directorship held in other Companies*:

- (a) Responce Investments Limited
- (b) Responce Commodities Limited
- (c) Responce Renewable Energy Limited
- (d) Responce Energy Limited
- (e) Jap Merchants Limited

Membership in committees in other Companies*:

Nil

Shareholding in the Company: 11,77,011 equity shares

4. **Mr. Bishambhar Pachisia**

Mr. Bishambhar Pachisia, aged 53 years, is Under Graduate. He has an overall experience of more 25 years in Finance & Properties.

Directorship held in other Companies*:

Nil

Membership in committees in other Companies*:

Nil

Shareholding in the Company:

Nil

5. Mr. Dilip Kumar Hela

Mr. Dilip Kumar Hela, aged 42 years, is Commerce Graduate. He has an overall experience of more than 20 years in Account & Finance.

Directorship held in other Companies*:

Nil

Membership in committees in other Companies*:

Nil

Shareholding in the Company:

Nil

Note:

(i). * Other Companies means other Indian Limited Companies.

(ii). Mr. Pradeep Kumar Daga and Mrs. Vinita Daga are husband and wife. Except this, there are no inter-relationships amongst the Board Members.

DIRECTOR'S REPORT

Dear Members,

The Board of Directors of Cinerad Communications Limited are pleased to present the 26th Annual Report for the year ended March 31, 2012, together with the Auditors' Report and Audited Accounts for the Financial year 2011-12.

Financial Results

The financial results of the company are as under:

	Year ended 31.03.2012	Year ended 31.03.2011
Profit / Loss before depreciation and taxation	(31.98)	23.72
Less: Depreciation	25.93	20.01
Less: Provision for Taxation	-	-
Profit/(Loss) after depreciation & Tax	(57.91)	3.71
Balance brought forward from previous yr	(701.64)	(705.35)
Balance carried forward	(759.56)	(701.64)

The Year under Review

Your Company has, during the period under review not done much activity on operation side. During the year under review, the Company has incurred an operating loss of Rs. 31.98 lakhs as against operating profit of 23.72 lakhs for the previous year and the total operating loss of Rs. 57.91 lakhs as against operating profit of Rs. 3.71 lakhs in the previous year. The Management is putting sincere efforts to start the operation at the full scale. The Management has decided to keep overhead to bare minimum till a new business plan with identified revenue streams is in place.

Fixed Deposits

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

Open Offer for acquisition of equity shares of the Company

Mr. Pradeep Kumar Daga and Mrs. Vinita Daga (the "Acquirers") have entered into Share Purchase Agreement dated 4th January, 2012 with India Emerging Capital Private Limited (the "Erstwhile Promoter") to acquire in aggregate 23,53,222 (Twenty Three Lacs Fifty Three Thousand Two Hundred and Twenty Two Only) equity shares of Rs. 10/- each representing 45.25% of the total equity and voting share capital of the Company at a price of Rs. 6.05 per fully paid-up equity share, requiring them to make an Open Offer for 26.00% of the equity and voting share capital of the Company in compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. Pursuant to the aforesaid Agreement and completion of the Open Offer formalities, Mr. Pradeep Kumar Daga and Mrs. Vinita Daga acquired 23,54,122 equity shares representing 45.27% of the equity and voting share capital of the Company and were inducted as the new Promoters of the Company w.e.f 27th April, 2012. Consequently, the management control vested in the favour of the new Promoters.

Subsidiary Companies

Your Company do not have any subsidiary company, hence the compliance of provisions of section 212 of the Companies Act, 1956 are not applicable.

Directors

- ❖ Mr. Manmohan Prasad Prahladka was appointed as the Additional Director of the Company w.e.f. 1st January, 2012. He will hold office of the Director upto the conclusion of ensuring Annual General Meeting.
- ❖ Pursuant to the provisions contained in the Share Purchase Agreement dated 4th January, 2012, Mr. Pradeep Kumar Daga and Mrs. Vinita Daga were inducted as the Additional Directors on the Board of the Company on 4th February, 2012. They will hold office of the Director upto the conclusion of ensuing Annual General Meeting.
- ❖ Mr. Abhineet Gupta, Managing Director of the Company resigned w.e.f 27th April, 2012. The Board places on record its high appreciation of the valuable services rendered by Mr. Abhineet Gupta during his tenure as Managing Director of the Company.
- ❖ Mr. Diwakar Gandhi resigned w.e.f 27th April, 2012. The Board places on record valuable services rendered by him during his tenure as Director of the Company.