



CINERAD COMMUNICATIONS LIMITED
CINERAD COMMUNICATIONS LIMITED



Twenty Seventh

Annual Report

2012-2013

CINERAD COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

PRADEEP KUMAR DAGA	-	MANAGING DIRECTOR
VINITA DAGA	-	DIRECTOR
MANMOHAN R. PRAHLADKA	-	NON EXECUTIVE DIRECTOR
BISHAMBAR PACHISIA	-	INDEPENDENT DIRECTOR
DILIP KUMAR HELA	-	INDEPENDENT DIRECTOR

AUDITORS

MAROTI & ASSOCIATES
Chartered Accountants

BANKERS

HDFC BANK LTD.

REGISTERED OFFICE

Premises No.55, Ground Floor, Om Heera Panna
Premises Co-op, Society Ltd., Oshiwara,
Andheri (W), Mumbai-400053, Maharashtra
Tel.: +91 22 3292 3747; Fax : +91 22 2201 9291;
E-mail : cinerad@responce.in

CORPORATE OFFICE

Subol Dutt Building, 13, Brabourne Road,
Mezzanine Floor, Kolkata - 700 001,
West Bengal, India
Tel.: +91 33 2231 5686-87
Fax : +91 33 2231 5683

REGISTRAR AND SHARE TRANSFER AGENTS

System Support Services
209, Shivai Industrial Estate, 89, Andheri Kurla
Road, Sakinaka, Andheri (E), Mumbai- 400 072
Tel.: +91 22 2850 0835
Fax : +91 22 2850 1438

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NOTICE

Notice is hereby given that the Twenty Seventh 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, 14th September, 2013 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, 2013** and the Profit and Loss Account for the year ended March 31, 2013 and the Report of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of those retiring by rotation
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Maroti & Associates, Chartered Accountants (Registration No. 322770E), be and are hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By order of the Board

For **Cinerad Communications Limited**

Sweta Sethia

Company Secretary

Date: 22.07.2013

Place: Kolkata

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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. 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 from **11th September, 2013 to 14th September, 2013.**
 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.

DIRECTOR'S REPORT

Dear Members,

The Board of Directors of Cinerad Communications Limited are pleased to present the **27th Annual Report** for the year ended **March 31, 2013**, together with the Auditors' Report and Audited Accounts for the Financial year 2012-13.

Financial Results

The financial results of the company are as under:

₹ in Lakhs

	Year ended 31.03.2013	Year ended 31.03.2012
Profit /(Loss) before depreciation and taxation	(0.06)	(31.98)
Depreciation	(19.21)	(25.93)
Tax Expenses (Deferred Tax)	(19.23)	—
Profit/(Loss) after depreciation & Tax	(38.50)	(57.91)
General Reserve Transferred	(7.27)	—
Balance brought forward from previous yr	(759.56)	(701.64)
Balance carried forward	(805.33)	(759.56)

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. 0.06 lakhs as against operating loss of 31.98 lakhs for the previous year and the total operating loss of Rs. 38.50 lakhs as against operating Loss of Rs. 57.91 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.

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.

Auditors:

The retiring Auditors **Maroti & Associates, Chartered Accountants**, Kolkata hold office till the conclusion of the Annual General Meeting and is eligible for reappointment.

Directors

Mr. Manmohan R Prahladka retires by rotation and being eligible, offers themselves for re-appointment.

Cinerad Communications Limited

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, 2013 and the profit 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.

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>31.03.2013</u>	<u>31.03.2012</u>
Total Foreign exchange earned	Nil	Nil
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.

Place : Kolkata

Date : 24th Day of May, 2013.

For and on behalf of the Board
Pradeep Kumar Daga **Vinita Daga**
Managing Director **Director**

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

As per the latest information (Advance Estimates) of National Income for 2012-2013 (at constant 2004-2005 prices), released by the Central Statistics Office, the growth of Gross Domestic Product (GDP) at factor cost is estimated at 5 percent in 2012-2013, with agriculture & allied activities growing at 1.8 per cent, industry at 1.9 per cent and services at 8.6 per cent. The corresponding growth in GDP in 2011-2012 was 6.2 per cent, with agriculture and allied sector, industry and services growing at 3.6, 2.7 and 11.7 per cent, respectively. During 2012-2013 (April-November), as per the Index of Industrial Production (IIP), the industrial sector grew at 1 per cent as compared to 3 per cent growth during the previous year.

Opportunities

The Media and Entertainment (M& E) industry is one of the forecast going sector in India. The industry primarily involves the creation, aggregation and distribution of the content, products and service, news and information advertising and entertainment through various channels and platforms such as Television, Print, Radio and Films. The business services firm's new Global Entertainment & Media Outlook 2012-2017 forecasts that the sector will rise in value to \$2.2 trillion worldwide in 2017, up from \$1.7 trillion in 2012. According to FICCI-KPMG India Media & Entertainment industry report 2013, the M&E industry registered a growth from INR 728 billion in 2011 to INR 820 billion in 2012, registering an overall growth of 12.6 per cent. Backed by positive industry sentiment and growing media consumption, the industry is going to achieve growth of 11.8 % in 2013 to touch INR 917 billion. While television and print continued to dominate the Indian M&E industry, sectors such as gaming, digital advertising, and animation VFX grew at a faster rate and show tremendous potential in the coming years. By media channel, online advertising is expected to record the sharpest increase in expenditure.

Segment-wise Reporting

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

Future Outlook

The Indian Entertainment and Media Industry have 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 consumer spending is rising due to increasing disposable income on account of sustained growth in income levels and reduction of personal income tax over the last decade.

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.

Material development in Human Resources/Industrial Relations

The Company believes that the people are the key ingredient to the success of an Organisation. During the year under review, the Company recognized the importance and contribution of its human resources towards its growth and development and is committed to the development of their people.

Financial and Operational Performance

During the year your Company achieved revenue of Rs. 10.29 lakhs as against Rs. 12.66 lakhs in the previous year and recorded total loss of Rs. 38.50 lakhs as against the loss of Rs.57.91 lakhs in the Financial Year 2011-12.

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.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance, which assumes great deal of importance at **CINERAD COMMUNICATIONS LIMITED (CCL)**, is intended to ensure value creation for all its stakeholders. CCL believes that the governance process must ensure adherence and enforcement of the principles of sound Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Company is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. The Company is listed on the BSE Limited and has complied in all material respects with the features of corporate governance as specified in the Listing Agreement.

Board of Directors

During the year under review, 8 (Eight) Board Meetings were held on the following dates: **April 27, 2012, May 11, 2012, May 29, 2012, August 11, 2012, September 07, 2012, November 12, 2012, February 13, 2013 & March 21, 2013.**

The composition of the Board, attendance of Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM), numbers of Directorships and memberships/ chairmanships in public companies (excluding the Company) are given below:

Name of Director	Category	F.Y. 2012-13 Attendance at		No. of other Directorship	As Committee Chairman
		BM	Last AGM		
Mr. Pradeep Kumar Daga	Managing Director	08	Yes	09	00
Mrs. Vinita Daga.	Director	08	Yes	05	00
Mr. Manmohan R. Prahladka	Non-Executive	06	Yes	Nil	01
Mr. Dilip Kumar Hela	Independent Non-Executive	06	No	Nil	02
Mr. Bishambar Pachisia	Independent Non-Executive	06	No	Nil	00

Audit Committee

The Audit Committee comprises of Three members, viz; Mr. Dilip Kumar Hela, Mr. Bishambar Pachisia and Mr. Pradeep Kumar Daga to the committee. Mr. Dilip Kumar Hela is the Chairman of Audit Committee. The scope of the activities of the audit committee is as set out in clause 49 of the listing agreement with the Stock Exchange read with section 292A of the Companies Act, 1956. The terms of reference of the audit committee broadly are as under:

- To hold periodic discussions with the statutory and internal auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the auditors;
- To review compliance with the internal control systems;
- To review the quarterly, half yearly and annual financial results of the company before submission to the board;
- At Present to make recommendations to the board on any matter relating to the financial management of the company, including the audit report of the statutory and internal auditors.

During the year under review 4 (four) meetings of the Audit Committee were held.

Attendance of each Member of the Audit Committee meetings held during the year

Name of the Committee Members	No. of meetings held	No. of meetings attended
Mr. Pradeep Kumar Daga	4	4
Mr. Bishambar Pachisia	4	4
Mr. Dilip Kumar Hela	4	4

Remuneration Committee

The company has set up a Remuneration Committee comprising of 3 members – Mr. Manmohan R. Prahladka, Mr. Dilip Kumar Hela and Mr. Bishambar Pachisia to look into the matter related to the payment of remuneration to directors. During the year under review, Mr. Dilip Kumar Hela was elected as Chairman for the meeting. All the members of Remuneration Committee have good exposure to finance as well as general management.

Shareholders / Investors Grievances Committee:

Chairman	: Mr. Manmohan R. Prahladka
Members	: Mr. Dilip Kumar Hela and Mr. Bishambar Pachisia
Compliance Officer	: Ms. Sweta Sethia
No. of Complaints received by Company	: Nil
Registrar & Share Transfer Agents during the Financial Year ended March 31, 2013	
No. of pending share transfers	: Nil

During the year, Mr. Manmohan R. Prahladka has been elected as the Chairman and Ms. Sweta Sethia act as a Company Secretary to the Committee.

General Body Meetings

AGM for The financial year	Location of Holding AGM	Date and Time of AGM
2011-2012	Killachand Conference Room, Second Floor, India Merchant Chambers Building, IMC Marg, Chrchugate, Mumbai-400020	15 th September, 2012 at 11.00 A.M.
2010-2011	Killachand Conference Room, Second Floor, India Merchant Chambers Building, IMC Marg, Chrchugate, Mumbai-400020	27 th September, 2011 at 10.00 A.M.
2009-2010	Killachand Conference Room, Second Floor, India Merchant Chambers Building, IMC Marg, Chrchugate, Mumbai-400020	28 th September, 2010 at 10.00 A.M.

Disclosures

There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large. The Register of Contracts containing transactions in which directors are interested is placed before the board regularly for its approval.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authorities for non-compliance on any matter related to the capital markets.

Means of Communication

Quarterly, Half yearly and Annual results of the Company are published in newspapers such as Financial Express and Mumbai Lakshadweep Mahanagar. These results are properly submitted to the Stock Exchanges so that the same can be displayed on their website. Management discussion and analysis form part of the Directors' Report enclosed in this Annual Report.

Cinerad Communications Limited

General Shareholder Information

AGM Date, Time and Venue	14 th September, 2013 at 11.00 A.M. at Kilachand Conference Room, 2nd Floor, India Merchant Chambers Building, IMC Marg, Church Gate, Mumbai -400 020
Financial Calendar	1 st April To 31 st March
Date of Book Closure	11 th September, 2013 to 14 th September, 2013
Listing on Stock Exchanges	BSE Limited
Stock Code	530457
Demat ISIN No. for CDSL and NSDL	INE959B01017
Listing Fee	Paid for the year 2012-2013

Market Price Data: High – Low During each month in the last financial year

(In ₹)

Month	High	Low
April, 2012	11.38	9.37
May, 2012	13.92	10.05
June, 2012	12.18	11.05
July, 2012	12.33	8.31
August, 2012	7.90	7.25
September, 2012	7.61	6.45
October, 2012	6.13	6.00
November, 2012	5.99	4.57
December, 2012	4.54	4.50
January, 2013	5.19	4.50
February, 2013	5.99	4.50
March, 2013	9.24	6.28

Distribution of share holding on March 31, 2013

No. of Equity Shares held from to	Shareholders		Shareholding	
	Nos.	%	Nos.	%
1 – 500	1665	78.910	2,93,025	5.77
501 – 1000	206	9.763	1,81,850	3.49
1001 - 5000	180	8.531	3,83,675	7.97
5001 – 10000	23	1.090	1,64,789	3.27
10001 & above	36	1.706	41,76,661	79.50
Total	2157	100.00	52,00,000	100.00