

29 Annual Report **2014-2015**

CINERAD COMMUNICATIONS LIMITED

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Board of Directors

Vinita Daga #	-	Managing Director
Pradeep Kumar Daga ##	-	Director
Utapl Dey *	-	Non-Executive Director
Bishambar Pachisia	-	Independent Director
Dilip Kumar Hela	-	Independent Director
Manmohan R. Prahladka **	-	Non-Executive Director

Senior Management

Harshwant Joshi ***	-	Chief Financial Officer
Sweta Sethia	-	Company Secretary

Registered Office

Premises No.G-58, Ground Floor,
Om Heera Panna Premises Co-Op.
Society Ltd., Oshiwara, Andheri(W)
Mumbai - 400053, Maharashtra
Tel. : +91 33 6457 0111

Subol Dutt Building,
13, Brabourne Road.

Kolkata-700001 (W.B)

Phone: +91 33 2231 5686-87

Fax: +91 33 22315683

E-mail: cinerad@responce.in.

www.cineradcommunications.com

Auditors

M/s. Maroti & Associates
Chartered Accountants
9/12, Lal Bazar Street,
Block-E, 3rd Floor, Room No.2,
Kolkata-700001, WB (India)
Tel.: +91 33 2231 9392 / 9391
Fax: +91 33 2243 8371
E-mail: mkmaroti@gmail.com

Registrar & Transfer Agent

System Support Services
209, Shivai Industrial Estate
89, Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai- 400 072
Tel : 022 2850 0835
Fax: 022 2850 1438

Bankers

HDFC Bank Ltd.
Stephen House Branch,
4, B. B. D. Bag (East),
Kolkata - 700001

C.I.N.

L92100MH1986PLC040952

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Statement of Accounts of the Company for the Year ended March 31, 2015.

1. FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	March 31, 2015	March 31, 2014
Sales and Other Income	12.59	13.30
Profit before depreciation & taxation	(1.65)	1.91
Less: Depreciation	0.00	(19.21)
Less: Deferred Tax	16.59	4.43
Profit after taxation	14.93	(12.87)
Add: Balance brought forward from previous year	(818.19)	(805.32)
Surplus available for appropriation	(841.63)	(818.19)
Appropriations		
Deferred Tax Adjustment	17.11	0.00
Advance for FBT Written Off	(0.10)	0.00
Transitional Provision for Depreciation	(55.38)	0.00
Balance carried to Balance sheet	(841.63)	(818.19)

2. OPERATIONAL 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. 1.65 lakhs as against operating profit of Rs. 1.91 lakhs for the previous year and the total profit of Rs. 14.93 lakhs as against Loss of Rs. 12.87 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.

3. DIVIDEND:

Your Directors regret their inability to recommend any Dividend to equity shareholders for the year 2014-2015.

4. SHARE CAPITAL:

The paid up equity capital as on march 31, 2015 was Rs. 520 Lakhs. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. FINANCE:

Cash and cash equivalents as at March 31, 2015 was Rs. 7.06 lakhs. The company continues to focus on judicious management of its working capital, Receivables and other working capital parameters were kept under strict check through continuous monitoring.

6. FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and & to the Board Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

9. CONSERVATION OF ENERGY:

Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

10. TECHNOLOGY ABSORPTION:

Company's activities are production of advertisement film by using in-house know how and no outside technology is being used for making advertisement films. During the year the company does not get any contract for production of advertisement films. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

11. FOREIGN EXCHANGE EARNINGS AND OUT-GO :

During the period under review there was no foreign exchange earnings or out flow.

12. DIRECTORS:

Director Mr. Pradeep Kumar Daga (DIN 00080515) retire by rotation and, being eligible, offer himself for re appointment.

Shri Manmohan R. Prahladka (DIN 05160917), a non-executive director submitted his resignation to the Board on 11th November, 2014 due to some unavoidable personal reason. The same was accepted by the Board in its meeting held on 11th November 2014. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Shri Manmohan R. Prahladka (DIN 05160917) towards the growth and development of the company during his tenure as a director. The Board also on behalf of the members wishes to Shri Manmohan R. Prahladka (DIN 05160917) a long and healthy life.

The Board appointed to Shri Utpal Dey (DIN 06931935) as an additional director in its Board meeting held on 11th November 2014 under section 161 of the Companies Act, 2013, to hold the office up to the conclusion of this AGM. The Company has received a notice in writing from a member signifying his intention to propose Shri Utpal Dey (DIN 06931935) as candidate for the office of Directors who if appointed be eligible to retire by rotation.

13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

14. REMUNERATION POLICY

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

15. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year twelve Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

16. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

17. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

18. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary, hence the compliance of provisions of section 212 of the Companies Act, 1956 are not applicable.

19. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been posted on the Company's website.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business and in particular on matters relating to integrity in the work place, in business practices and in

dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

20. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The vigil mechanism ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Chairman of Audit and Chairman of the Board looks into the complaints raised.

21. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

22. AUDITOR'S:

Statutory Audit:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

M/s. Maroti & Associates, Chartered Accountants, (Firm Registration Number 322770E) as the Statutory Auditors for a period of 3 years to hold office from the conclusion of the ensuing Annual General Meeting (2015) till the Annual General Meeting (2017), subject to ratification of their appointment at every AGM, during the term of their office. They have confirmed their eligibility and willingness for appointment as Statutory Auditors for the aforesaid period, as per Section 141 of the Companies Act, 2013. The Board of Directors recommends their appointment to the shareholders.

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Secretarial Audit:

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report.

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P. Doleswar Rao, of company Secretaries in practice (C.P. No. 14385) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2015 is annexed herewith as "Annexure A" to this report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

23. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

24. PARTICULARS OF EMPLOYEES: (rule 5(2) & rule 5(1))

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

For and on behalf of the
Board of Directors

Vinita Daga
Managing Director
(DIN 00080647)

Place : Kolkata
Date : May 26, 2015