PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

CINERAD COMMUNICATIONS LIMITED

(Regd. Office: G-3, Bombay Market Apartments Co-op. Society Ltd.,

78, Tardeo Road, Tardeo, Mumbai – 400 034)

This Public Announcement ("PA") is being issued by Sumedha Fiscal Services Limited, Manager to the Offer, on behalf of **M/s Pranidhi Estates Private Limited** And **M/s Indiaemerging Capital Private Limited** (hereinafter collectively referred to as the "Acquirers") pursuant to Regulation 10 & 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations").

1. THE OFFER:

a) The Offer is being made by M/s Pranidhi Estates Private Limited having its registered office at W-5, Green Park Main, New Delhi–110 016 and M/s Indiaemerging Capital Private Limited having its registered office at W-5, Green Park Main, 1st Floor, New Delhi – 110 016 to the Equity Shareholders of Cinerad Communications Limited (hereinafter referred to as "CCL" or "Target Company").

b) The Acquirers have entered into a Share Purchase Agreement dated 15/05/2006 ("SPA" or "Agreement") to acquire in aggregate 13,41,540 fully paid-up equity shares of Rs.10/- each (M/s Pranidhi Estates Private Limited – 6,70,770 Equity Shares and M/s Indiaemerging Capital Private Limited - 6,70,770 Equity Shares) representing 25.80% of the paid up equity share and voting capital of CCL from Mr. Zafar Hai and Mrs. Colleen Hai, both resident of 18C/D, Land's End, 29D Dongersi Road, Malabar Hill, Mumbai–400 006, part of the Promoter of the Target Company (hereinafter collectively referred to as "Sellers") at a fixed price of Rs.9.25/- per share payable in cash.

c) For the purpose of this offer, there are no persons acting in concert as per the provisions of Regulations 2(1)(e) of the Regulations.

d) The Acquirers are now making this Open Offer ("Offer") to the shareholders of CCL (other than the parties to the Agreement) to acquire from them 10,40,000 fully paid-up Equity Shares of Rs.10/- each, representing 20% of its paid up equity share and voting capital at a price of Rs.9.25/- per share ("Offer Price") payable in cash subject to terms and conditions mentioned hereinafter. CCL does not have any partly paid up shares.

e) The shares of CCL are listed on Bombay Stock Exchange Ltd. (BSE) only. The equity shares of CCL are frequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations. The Offer price of Rs. 9.25/- per equity share has been determined as per Regulation 20(4) of the Regulations taking inter-alia into account the following factors:-

The negotiated price under the Agreement	Rs. 9.25/-
Highest price paid by the Acquirers for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any during the twenty six weeks period prior to the date of the Public Announcement	Rs. 9.07/-
Average of the weekly high and low of the closing prices of the equity shares of CCL as quoted on the BSE during the 26 weeks preceding the date of PA	Rs. 7.79/-
Average of the weekly high and low of the prices of the equity shares of CCL as quoted on the BSE during the 2 weeks preceding the date of PA	Rs. 8.64/-

The offer price of Rs. 9.25/- per share being the highest of all the above parameters is justified in terms of Regulation 20(4) applicable in respect of frequently traded shares.

f) The Acquirers have acquired 1,00,746 fully paid up equity shares of Rs. 10/- each of the Target Company during the twelve month period prior to the date of PA except as mentioned in para 1(b) above. The highest and the average price of acquisition is Rs 9.07/- and Rs 8/- per share respectively.

g) As on the date of PA, the Acquirers hold 91,146 fully paid up equity shares of Rs. 10/- each representing 1.75% of the total paid up equity share capital/voting rights of the Target Company.

h) As on the date of PA, Sumedha Fiscal Services Limited, the Manager to the Offer does not hold any equity share in the Target Company. The Manager to the Offer undertakes not to deal in the equity shares of CCL upto a period of fifteen days after closure of the Offer.

i) The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.

j) This is not a competitive bid.

k) There is no non-compete agreement between Acquirers and seller and any other entity as envisaged under Regulation 20(8) of the Regulations.

l) The Offer is not as a result of global acquisition resulting in indirect acquisition of Target Company.

m) The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfilment or outcome of the Agreement with the Seller.

2. INFORMATION ABOUT THE ACQUIRERS:

2.1. M/S PRANIDHI ESTATES PRIVATE LIMITED (“PRANIDHI” or “ PEPL”)

2.1.1 PEPL having registered office at W-5, Green Park Main, New Delhi – 110 016 was originally incorporated on September 15, 1999 under the Companies Act, 1956 in the N.C.T of Delhi and Haryana as Prinidhi Estates Private Limited. The name of the company was subsequently changed to Pranidhi Estates Private Limited pursuant to the approval received under section 21 of the Companies Act w.e.f 07.08.2003.

2.1.2 PEPL has been promoted by Mr. Pramod Kumar Jain and Mrs. Vinita Jain.

2.1.3 PEPL is presently engaged in the activities of real estate trading. The present Board of Directors of PEPL are Mr. Pramod Kumar Jain, Mr. Jitendra Jain and Mr.Vivek Ajmera. The shares of PEPL are not listed on any of the Stock Exchange(s).

2.1.4 The financial highlights of PEPL as per the audited accounts for the year ended March 31, 2005 are as follows:
The Authorised Share Capital of PEPL is Rs. 10 Lacs comprising of 1,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs.6,69,200/- comprising of 66,920 fully paid up equity shares of Rs.10/- each. For the financial year ended 31.03.2005, PEPL earned a total income of Rs. 12.73 lacs and a net profit after tax of Rs. 6.04 lacs. The Networth, Book Value, Earnings Per Share and Return on Networth are Rs. 247.59 lacs, Rs.369.98, Rs. 9.03 & 2.44% respectively.
Source: Annual Report of PEPL for the year ended 31.03.2005

2.2. M/S INDIAEMERGING CAPITAL PRIVATE LIMITED (IECPL)

2.2.1. IECPL having registered office at W-5, Green Park Main, 1st Floor, New Delhi – 110 016 was incorporated on February 1, 2006 under the Companies Act, 1956 in the N.C.T of Delhi and Haryana.

2.2.2. IECPL has been promoted by Ms. Riya Gandhi and Mr. Aditya Gandhi.

2.2.3. IECPL has been incorporated with the objective of carrying on the business as an investment company and to deal and trade in shares, stocks & derivatives. The present Board of Directors of IECPL are Ms. Riya Gandhi and Mr. Aditya Gandhi. The shares of IECPL are not listed on any of the Stock Exchange(s).

2.2.4. The Authorised Share Capital of IECPL is Rs. 200 Lacs comprising of 20,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1,00,000/- comprising of 10,000 fully paid up equity shares of Rs.10/- each. The Company is having networh of Rs. 218.63 Lacs as on 30/04/2006 as certified by Mr. Rajesh Gupta , Proprietor of M/s Rajesh Laxmi & Associates, Chartered Accountants having its office at 205, Vasant Complex, 38, Veer Savarkar Block, Shakarpur, Delhi – 110092 Ph: (011) 2205 1299, 9810187439.

3. INFORMATION ABOUT THE TARGET COMPANY (CCL):

3.1. CCL having its registered office at G-3, Bombay Market Apartments Co-op. Society Ltd., 78, Tardeo Road, Tardeo, Mumbai – 400 034 was originally incorporated as Cinerad Communications Private Limited on 17th September 1986 with Registrar of Companies, Maharashtra and subsequently converted into Public Limited Company vide special resolution passed on 02.10.1994 and obtained fresh certificate of incorporation dt. 01.11.1994. Consequently the name of the Company was changed to Cinerad Communications Limited.

3.2. CCL came with their first public issue in March 1995. As on the date of this PA the paid-up equity and voting share capital of CCL is Rs.520.00 Lacs divided into 52,00,000 equity shares of Rs.10/- each fully paid-up. There are no partly paid-up shares. The Equity Shares of CCL are listed at BSE only.

3.3. CCL is presently engaged in business of production of corporate films, documentaries, promotional films. Since its inception in 1986, the Company was involved in production of advertising films. From 1993-94 the focus of the Company's activities changed to running of digital video editing and computer graphics facility. In 2001-02, the Company refocused its activities to the present business. The Company has a Studio named "Studio Mirage" started by the Company as a boutique – size post production house to cater to Video Post-production needs, involving Off-Line and On-Line editing and Image manipulation.

3.4. As per the audited financial results for the year ended 31/03/2005, the total income and net profit of CCL was Rs.383.04 lacs and Rs.(-) 305.44 lacs respectively. The networth and book value per share of CCL as on 31/03/2005 are Rs. 523.11 Lacs and Rs. 10.06 respectively. The Earning per Share and Return on Networth of CCL are Rs (–) 5.87 and (-) 58.39% respectively.

4. REASONS FOR THE OFFER AND FUTURE PLANS ABOUT TARGET COMPANY:

a) This offer has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations.

b) The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control / management.

c) The Acquirers has plans to venture into the business of media and entertainment. Since CCL is engaged in the business of production of corporate films, documentaries, promotional films, the Acquirers proposes to continue the existing line of business in the Target Company. Pursuant to this acquisition, the Acquirers shall also get the benefit of a listed company.

d) The Acquirers do not have any plans to dispose off or otherwise encumber any assets of CCL in the next two years except in the ordinary course of business of CCL.

e) The Acquirers undertake that they will not sell, dispose off or otherwise encumber any substantial assets of CCL except with the prior approval of the shareholders.

5. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.

b) As on the date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

c) In case of delay in receipt of statutory approvals beyond 07.08.2006, SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will become applicable.

d) The Acquirers do not require any approval from its bankers / lending Institutions for the aforesaid Offer.

6. DELISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(3):

Assuming full acceptance, the offer would not reduce the public shareholding below the minimum limit specified in the listing agreement with the Stock Exchange for the purpose of listing on a continuous basis.

7. FINANCIAL ARRANGEMENTS:

a) The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Mr Pramod Agrawal, Partner of M/s S. K. Sehra & Co. (Membership No.500336) Chartered Accountants, having office at Flat No. 104, 6, Community Centre Naraina, New Delhi-110 028 Ph: (011) 25790088 / 25892337 and Fax No. (011) 2579 0033 vide certificate dated 15.05.2006 has certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

b) The total fund requirement for the Offer is Rs. 96,20,000/- (Rupees Ninety Six Lacs Twenty Thousand Only). In accordance with Regulation 28 of the Regulations, the Acquirers have opened an Escrow account in UTI Bank, K-12, Green Park Main, New Delhi - 110 016 & deposited therein Rs.25,00,000/- being more than 25% of the total consideration payable to shareholders under the Offer. A lien has been created on the said Escrow Account in favour of the Manager to the Offer by the bank.

c) The Manager to the Offer, Sumedha Fiscal Services Limited, Kolkata has been duly authorised by the Acquirers to operate & realize the value of Escrow Account in terms of the Regulations.

d) The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the offer obligations.

8. OTHER TERMS OF THE OFFER:

a) The Letter of Offer ("LO") together with Form of Acceptance cum Acknowledgement shall be mailed to those equity shareholders of CCL (other than the shareholders who are parties to the agreement) whose names appear on the Register of Members of CCL and to those beneficial owners of the Equity shares of CCL, whose names appear as beneficiaries on the records of the respective Depository

Participant ("DP"), at the close of business hours on 19/05/2006 ("Specified Date"). The LO along with Form of Acceptance ("FoA") and Form of Withdrawal ("FoW") would also be available at SEBI's website: **www.sebi.gov.in** from the date on which Offer opens. Eligible persons to the offer may download these forms for their use.

b) Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant in favour of the Special Depository Account, to the Registrar to the Offer, in accordance with the instructions to be specified in the LO.

c) Shareholders holding equity shares in physical form who wish to accept the Offer and tender their shares, will be required to send their (i) duly signed Form of Acceptance, (ii) original share certificate(s), (iii) duly signed and executed transfer deed(s) and other documents to the Registrar to the Offer, in accordance with the instructions specified in the LO.

d) All owners (registered or unregistered) of the shares of CCL (except parties to the Agreement) are eligible to participate in the Offer. Unregistered shareholders / Owner of shares who have sent shares for transfer can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, No. of shares offered, Distinctive Nos., Folio No., together with Original share certificate(s), valid share transfer deeds and a copy of contract notes issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

e) In case of non-receipt of Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the Name & address of the first holder, Name(s) & address(es) of joint holders(s) if any, Regd. Folio No., Share Certificate No., Distinctive Nos., No of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. 24/07/2006 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of Shares offered, DP Name, DP ID No., Beneficiary account number and a photocopy of the delivery instruction in "Off Market" mode, duly acknowledged by the DP, in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e. 24/07/2006.

f) The Acquirers have appointed MAS Services Private Limited as the Registrar to the Open Offer ("Registrar"). The Registrar has opened a special depository account with Integrated Master Securities Private Limited in National Securities Depository Limited ("NSDL") styled "MAS – CINERAD-OPEN OFFER – ESCROW A/C ". The DP ID is IN 300724 and Beneficiary Client ID is 10109542. Shareholders having their beneficiary account in Central Depository Services India Limited ("CDSL") have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Special Depository Escrow Account with NSDL.

g) Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

h) In case the shares tendered in the Offer by the shareholders of CCL are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis. The marketable lot for both physical and demat shares is 1(One).

i) The Registrar will hold in trust the share certificates, shares lying to the credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of CCL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

j) The consideration for the shares accepted by the Acquirers will be paid by crossed account payee cheques/ demand drafts. Such payments and documents in case of unaccepted shares will be returned by registered post/ speed post at the shareholders / unregistered owners' sole risk. Shares held in dematerialised form to the extent not accepted will be credited back to the account of beneficial owner specified in the acceptance form. Communication of acceptance / rejection and the payment of consideration for the accepted shares will be made by the Acquirers in cash through cheque/ demand draft to the shareholders of accepted shares within 15 days from the date of the closure of the Offer.

k) In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered upto three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the Registrar to the Offer on or before 19.07.2006. The withdrawal can be exercised by submitting Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application along with the following details:

- In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
- In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

l) The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

m) The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

n) A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent)	19.05.2006	Friday
Date by which the Letter of Offer will be dispatched to the shareholders	29.06.2006	Thursday
Date of Opening of the Offer	05.07.2006	Wednesday
Date of Closing of the Offer	24.07.2006	Monday
Last Date for a Competitive Bid	07.06.2006	Wednesday
Last date for revising the Offer Price / No. of Shares	13.07.2006	Thursday
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	19.07.2006	Wednesday
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	07.08.2006	Monday

9. GENERAL:

a) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto 19/07/2006 i.e. three working days prior to the date of Closure of the Offer.

b) If there is any upward revision in the Offer Price upto seven working days prior to the closure of the Offer i.e. 13/07/2006 or withdrawal of the Offer, the same would be informed by way of PA in the same newspapers where this PA appears and the revised Price would be payable to all the shareholders who have tendered their shares any time during the Offer.

c) As per the available information, the Acquirers, Seller and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

d) If there is a competitive bid:

- **The Open Offers under all the subsisting bids shall close on the same day.**

- **As the Offer price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would therefore be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.**

e) Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Sumedha Fiscal Services Limited, Kolkata, as the Manager to the Offer.

f) MAS Services Private Limited of AB-4, Safdarjung Enclave, New Delhi – 110 029, Tel: (011) 2610 4142 / 2610 4326 Fax (011) 2618 1081, E-mail: **masserv@giasdl01.vsnl.net.in** is the Registrar to the Offer. The contact person is Mr. Narender Rastogi.

g) The Acquirers accept full responsibility for the information contained in this Public Announcement and also for their obligations as laid down in the Regulations.

h) This PA will be available on SEBI's website at **www.sebi.gov.in**. Eligible persons to the Offer may also download a copy of the LO along with Form of Acceptance and Form of Withdrawal which will also be available on the SEBI's website from the Offer opening date i.e. 05/07/2006 and apply in the same.

i) For further details, please refer to the LO & Acceptance Form.

Advisor to the Acquirers :
ECCENTRIC CAPITAL MARKETS PVT. LIMITED
10, Ganesh Chandra Avenue,
2nd Floor, Suite No 12,
Kolkata – 700 013
Email: eccencap@gmail.com
Tel: (033) 2213 2125; Fax: (033) 2242 5884

Issued by Manager to the Offer on behalf of the Acquirers:

Manager to the offer:
SUMEDHA FISCAL SERVICES LIMITED
(Contact Person: Mr. Deb Kumar Sett)
8B, Middleton Street, Geetanjali , 6A
Kolkata – 700 071
Phone No: (033) 2229 8936/6758/3237
Fax: (033) 2226 4140/2216 5830
E-mail: kolkata@sumedhafiscal.com

Place: Kolkata
Date: 17/05/2006