

# **RADAAN**

**RADAAN MEDIAWORKS INDIA PRIVATE LIMITED**

**ANNUAL REPORT  
2000 - 2001**

Your Directors have pleasure in presenting the Second Annual Report together with the audited accounts of the company for the year ended 31'st March 2001.

#### FINANCIAL PERFORMANCE:

The performance of the company has improved well during the year and the highlights are given below:

(Rs. in Lakhs)

	1999-2000	2000-2001
Turnover	148.35	1803.50
Profit before Depreciation Tax	10.12	128.50
Depreciation	1.42	100.00
Profit after Depreciation but before tax	8.70	28.49
Tax	1.01	8.00
Profit after interest and tax	7.69	20.49

The Major achievement of the company during the year was the telecasting of the Serial CHITTHI among all other serials like CHINNA PAPA - PERIAPAPA, EIDHI KADHA KADHU, SRIMATHI, KOTEESWARAN, ETC . The company plans to telecast few more Mega serials like Kaveri, Annamalai etc.

#### DIRECTORS:

Mr. Raju Ratha, Director, retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year Sri. D. Ravichander Babu was appointed as Addl. Director of the company and being eligible offers himself for re-appointment.

#### AUDITORS

M/s. Chandran & Raman & CO., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Extra-Ordinary General Meeting: During the year the extra-ordinary general meeting of the company was conducted to change the name of the company and accordingly the company's name was changed as Radaan MediaWorks India Pvt.Ltd.

**DISCLOSURE OF PARTICULARS:**

Disclosure as per requirements of Section 217(2)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors)

Rules 1988, with respect to energy conservation, technology absorption only be taken given in the annexure.

**Personnel:**

The employees received remuneration during the year in excess of limits set out under section 217(2A) of the Companies Act, 1956. are given in the annexure.

**DIRECTOR'S RESPONSIBILITY:**

Pursuant to Section 217(2AA) of the Companies (Amendment) Act 2000, the Directors confirm that:

- i) In the preparation of annual accounts, the applicable accounting standards had been followed along the proper explanation, relating to material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give as true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- 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 of a going concern basis.

**ACKNOWLEDGEMENT:**

Your Directors wish to thank and acknowledge the continuous co-operation and assistance extended by the Government of Tamilnadu, Banks, UTV, Sun T.V. Actor, Actress, Artists, our employees the various viewers, and the sponsors.

BY ORDER OF THE BOARD

-Sd-

CHAIRMAN

PLACE: CHENNAI.

DATE: 1st September 2001.

Reply to the qualification in the report of the Auditor:

The organized financial sector like Schedule Bank and Financial Institutions are not supporting the media and entertainment industry and your company being private limited company and in the business of T.V. Serial productions, entertainment and media works, had to resort to borrow money from private financial market. Accordingly the company has borrowed loan for the periods less than 6 months at different rate of interest. Unfortunately at the time of repayment due to paucity of funds the repayments was done more than 6 months but less than 12 months in only few cases. The Board confirms that the company has not accepted any fixed deposits and the auditor's reference is only to the deemed deposit. The interest paid is only as per the prevailing market conditions and the company has taken every step to use the funds judiciously.

## AUDITORS' REPORT

### TO THE MEMBERS OF RADAAN PICTURE PRIVATE LIMITED

We have audited the attached Balance sheet of M/S . RADAAN PICTURE PVT.LTD. as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the mandatory Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.
  - (e) In our opinion and according to the information and explanation given to us, none of the directors of the company are disqualified as on 31.03.2001 from being appointed as such under Section 274(1)(g)
  - (f) Gross Block Fixed Assets includes Software Library an Brand Equity aggregating to Rs. 5,12,20,000/-, taken over from a sole proprietary concern(refer Note No. 2 annexed to accounts). We are unable to express our opinion on the valuation of the above assets and the consequent impact thereof on the net worth of the company.
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Notes

thereon give the information required by the Companies Act, 1956, in the manner so required and subject to our comments in para 2(f) above, give a true and fair view:

- (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2001, and
- (ii) in so far as it relates to the Profit and Loss account, of the Profit of the Company for the year ended 31.03.2001.

For CHANDRAN & RAMAN  
Chartered Accountants

-Sd-

(S.G.Kalyanaraman)  
Partner

Place:Chennai  
Date: 03.09.2001

## ANNEXURE AUDITORS' REPORT

Re: RADAAN PICTURE PRIVATE LIMITED

Referred to in paragraph 1 of our Report of even date.

- A. (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Company has a programme of annual verification of all the Fixed Assets which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such annual verification of fixed assets.
- (2) None of the Fixed Assets have been revalued during the year.
- (3) The stock of cassettes forming part of work-in-progress have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (4) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (5) The discrepancies noticed on verification between the physical stock and the book records were not material.
- (6) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
- (7) The Company has not taken any loans from parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (8) The Company has granted interest free advances to parties listed in the register maintained under section 301 of the Companies Act, 1956 and the terms and conditions of such loans are not prima facie prejudicial to the interest of the company, subject however, to non-charging of interest.
- (9) The Company has granted interest free loans to technicians and staff, who are repaying the principal as stipulated.
- (10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores including components, plant and machinery, equipment and other assets.
- (11) In our opinion and according to the information and explanations given to us, no transactions of purchase of goods and materials and sale of goods, materials and services have been made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more.

- (12) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- (13) The company has made short term borrowings for its working capital requirements from time to time during the year under audit and the said loans come within the purview of section 58A of the Companies Act, 1956 and the borrowings effected are not in conformity with the provisions of section 58A of the Companies Act, 1956.
- (14) In our opinion, the company's present internal audit system is commensurate with the size of the company and the nature of its business.
- (15) In our opinion and according to the information and explanations given to us, accumulation and disposal of scraps does not arise and the Company does not have no by-product.
- (16) The Company has been regular in remitting Provident fund dues and Employees State Insurance dues during the year with the appropriate authorities, subject, however, to delay in the remittance of the dues.
- (17) According to the information and explanations given to us, no undisputed amounts, payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
- (18) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (19) The Company is not a sick industrial company within the meaning of clause(o) of sub-section(1) of section 3 of the Sick Industrial Companies (Special Provisions Act), 1985.
- (20) Clauses (XVI) of the order are not applicable to the company.

For CHANDRAN & RAMAN  
Chartered Accountants

-Sd-

(S.G.Kalyanaraman)  
Partner

Place:Chennai  
Date: 03.09.2001

SOURCES OF FUNDS : Schedule	31-03-2001		31-03-2000	
	Amount		Amount	
	Rs.	P.	Rs.	P.
<b>I. SHAREHOLDERS FUNDS:</b>				
Share Capital	A	75139100.00		59139100
Reserves and Surplus	B	2818648.19		769545
<b>II. LOAN FUNDS:</b>				
Secured Loans	C	4683730.74		2346657
Unsecured Loans	D	31635100.57		1840504
		<u>114276579.50</u>		<u>64095806</u>
<b>APPLICATION OF FUNDS:</b>				
Fixed Assets	E			
Gross Block at Cost		76158642.50		59380414
Less: Depreciation		<u>10141809.03</u>		<u>139640</u>
Net Block		66016833.47		59240774
Investments	F	6000.00		NIL
Current Assets, Loans and Advances-(a)	G	83089991.66		26786515
Current Liabilities and Provisions - (b)	H	40857110.43		23795557
Net Current Assets(a-b)		42232881.23		4831559
Miscellaneous Expenditure & Losses	I	6020864.80		23473
		<u>114276579.50</u>		<u>64095806</u>
Notes on Accounts & Significant Accounting Policies	O			

As per our report attached

For CHANDRAN AND RAMAN  
Chartered Accountants

-Sd-

Place : Chennai  
Date : 3-9-2001M.R.MOHAN RATHA  
Director

-Sd-

R. RADIKAA  
Director

-Sd-

S.G.KALYANARAMAN  
Partner

INCOME :	Schedule	31.03.2001		31.03.2000	
		Rs.	P.	Rs.	P.
Teleserial Revenue	J	167555439.00		14835000	
Income From Events & Shows		12401204.00		Nil	
Other Income	K	393064.50		25000	
		<u>180349707.50</u>		<u>14860000</u>	
<b>EXPENDITURE:</b>					
Direct Expenses on TeleSerial & Even Show	L	148993925.35		15256465	
Administrative Expenses	M	20334536.81		598396	
Interest and Bank charges	N	6937716.27		62496	
		<u>176266178.43</u>		<u>15917357</u>	
Add: Opening Work in Progress		6839059.00		NIL	
Less: Closing Work in Progress		<u>15608958.00</u>		<u>2073000</u>	
		<u>167496279.43</u>		<u>13844357</u>	
Profit before Depreciation		12853428.07		1015643	
Depreciation	E	10002169.03		142490	
Profit after Depreciation		2851259.04		873153	
Preliminary Expenses Written off		2608.10		2608	
Profit before Tax		2848650.94		870545	
Provision Written Back		452.00		0	
Provision for Tax		800000.00		101000	
Profit after Tax		2049102.94		769545	
Balance Brought forward from last year		769545.25		0	
Balance transferred to Balance Sheet		2818648.19		769545	
Notes on Accounts & Significant Accounting Policies	O				

As per our Report attached

For CHANDRAN AND RAMAN  
Chartered Accountants

-Sd-

Place : Chennai  
Date : 3-9-2001M.R.MOHAN RATHA  
Director

-Sd-

R. RADIKAA  
Director

-Sd-

S.G.KALYANARAMAN  
Partner

	As on 31.03.2001 Rs. P	As on 31.03.2000 Rs.
<b>SCHEDULES TO BALANCE SHEET</b>		
<b>A. SHARE CAPITAL:</b>		
Authorised capital:		
10000000 Equity shares of Rs. 10/-each (Previous year 50000 equity share of Rs.100/-each)	<u>100000000.00</u>	<u>5000000</u>
Issued, Subscribed and Paid up Capital 75,13,901 Equity shares of Rs. 10/-each (Out of the above 58,73,890 Equity shares have been Alloted for consideration other than cash)	75139100.00	200
Share Application money received pending allotment of shares	NIL	7900000
Shares pending allotment for consideration other than cash	NIL	51238900
	<u>75139100.00</u>	<u>59139100</u>
<b>B. RESERVES AND SURPLUS:</b>		
Profit and Loss Account	2818648.19	769545
	<u>2818648.19</u>	<u>769545</u>

	As on 31.03.2001 Rs. P	As on 31.03.2000 Rs.
<b>C. SECURED LOANS:</b>		
Esteem Credits and investments B-64, Anna Nagar, Chennai - 600 102 (Secured by hypothecation of Vehicle)	NIL	10578
Kotak Mahindra Finance Ltd. "CEEBROS CENTRE" 1Floor, 45, Montieth road Chennai - 600 008	2990921.00	1400699
Hire purchase Account (Secured by hypothecation of Studio Equipments)		
Citibank NA Car Loan P.O. Box No. 2235 Anna Salai Post office Chennai - 600 002.	- Ford 355201.04 - Lancer 493846.68 - Accent 400478.72 - Qualis 424683.30	288136 647244 - -
(Secured by hypothecation of Motor Cars)		
V.K. Finance (Secured by hypothecation of Auto Ricksway)	18600.00	-
	<u>4683730.74</u>	<u>2346657</u>
<b>D. UNSECURED LOANS:</b>		
Grindlays Bank Ltd- overdraft A/c	2803908.59	1840504
Andhra Bank- Current Account - 8775	58063.98	NIL
Kotak Mahindra Finance Ltd.-Bills Discounted "CEEBROS CENTRE" 1Floor, 45, Montieth road Chennai-600 008	22053128.00	NIL
Others	6720000.00	NIL
	<u>31635100.57</u>	<u>1840504</u>

**E. Fixed Assets cum Depreciation Statement :**

	Gross Block at cost			Depreciation		Net Block	
	As on 01.04.2000	ADDITIONS FOR THE YEAR	UP TO 31.03.2000	FOR THE YEAR	UP TO 31.03.2001	AS ON 31.03.2001	AS ON 31.03.2000
BRAND EQUITY	7500000.00	-	-	1043250.00	1043250.00	6456750.00	7500000
SOFTWARE LIBRARY	43720000.00	-	-	6081452.00	6081452.00	37638548.00	43720000
IMPROVEMENT ON LEASE HOLD PROPERTY	-	1251728.00	-	126172.80	125172.80	1126555.20	-
FURNITURE	228775.00	172140.00	8509.00	172874.15	181383.15	219531.85	220266
VEHICLES	1218755.00	1271420.00	1516.00	504938.18	506454.18	1983720.82	1217239
OFFICE EQUIPMENTS	94255.00	788065.50	6528.00	155162.83	161690.83	720629.67	87727
PLANT & MACHINERY	6367176.00	8004729.00	101331.00	1311137.04	1412468.04	12959436.96	6265845
GENERATOR	9415.00	-	4.00	1309.07	1313.07	8101.93	9411
STABILISER & UPS	44788.00	391636.00	574.00	69800.17	70374.17	366049.83	44214
COMPUTER	197250.00	2663910.00	21178.00	537072.80	558250.80	2302909.20	176072
CAPITAL WORK-IN-PROGRESS (Equipments pending installation)	-	2234600.00	-	-	-	2234600.00	-
TOTAL	59380414.00	16778228.50	139640.00	10002169.03	10141809.03	66016833.47	59240774

**F. INVESTMENT**

Non-Trade - Quoted  
600 Equity shares of Rs.10/- each  
in Andhra Bank Limited

	As on 31.03.2001 Rs. P	As on 31.03.2000 Rs.
	6000.00	NIL
	<u>6000.00</u>	<u>NIL</u>

**G. CURRENT ASSETS, LOANS AND ADVANCES:**

a) Work in Progress	15608958.00	6839059
b) Sundry Debtors	29493910.00	9948398
c) Cash and Bank Balances	3524752.97	1003454
d) Loans and Advances	34462370.69	8991592
	<u>83089991.66</u>	<u>26782503</u>

a) Work in Progress (Represents  
Episodes of Tele Serial and Tele Films  
Pending Tele cast- valued at cost 15451462.00  
Stock of empty cassettes- valued at cost 157496.00

	15608958.00	6839059
	<u>15608958.00</u>	<u>6839059</u>

b) Sundry Debtors  
(Unsecured and considered good)  
Debts outstanding for a period  
of six months or more 668720.00 Nil  
Other Debts 28825190.00 9948398

	668720.00	Nil
	28825190.00	9948398
	<u>29493910.00</u>	<u>9948398</u>

**F. Investment**

Non-Trade-Quoted  
600 Equity shares of Rs. 10/- each  
in Andhra Bank Limited

	6000.00	Nil
	<u>6000.00</u>	<u>Nil</u>

	As on 31.03.2001 Rs. P	As on 31.03.2000 Rs.
<b>G. CURRENT ASSETS, LOANS AND ADVANCES :</b>		
a) Work in Progress	15608958.00	6839059
b) Sundry in Debtors	29493910.00	9948398
c) Cash and Bank Balances	3524752.97	1007466
d) Loans and Advances	34462370.69	8991592
	<u>83089991.66</u>	<u>26786515</u>
a) Work in Progress (Represents Episodes of Tele Serial and Tele Films pending Tele cast - valued at cost	15451462.00	
Stock of empty cassettes - valued at cost	<u>157496.00</u>	
	15608958.00	6839059
	<u>15608958.00</u>	<u>6839059</u>
b) Sundry Debtors (Unsecured and considered good) Debts outstanding for a period of six months or more	668720.00	Nil
Other Debts	28825190.00	9948398
	<u>29493910.00</u>	<u>9948398</u>
c) Cash and Bank Balances		
Cash on hand (at Administrative Office and Imprest balance with Executives)	2689299.45	
Cash in current A/c with ABN Amro Bank Ltd	14397.46	Nil
Cash in current A/c with Andhra bank - Bangalore	7505.00	4012
Cash in current A/c with ANZ Grindlays Bank - AAA-31953195	9656.60	Nil
Cash in current A/c with ANZ Grindlays Bank - Chithi - 31953195	12972.50	Nil
Cash in current A/c with ANZ Grindlays Bank - Bumber Kullkal - 32150	2725.00	Nil
Cash in current A/c with ANZ Grindlays Bank - CPPP-31952782	8124.01	Nil
Cash in current A/c with ANZ Grindlays Bank - Enjeevanae-32463676	3630.00	Nil
Cash in current A/c with ANZ Grindlays Bank - IKK-31952884	19432.50	Nil
Cash in current A/c with ANZ Grindlays Bank - Koteeswaran - 3251658	132.72	Nil
Cash in current A/c with ANZ Grindlays Bank - Pinni - 31952668	4240.00	Nil
Cash in current A/c with ANZ Grindlays Bank - 31617824	9626.58	Nil
Cash in current A/c with ANZ Grindlays Bank - Sangamam - 3205464	15210.50	Nil
Cash in current A/c with ANZ Grindlays Bank - SBU 3-32150324	7543.57	Nil
Cash in current A/c with Global Trust Bank	4867.00	Nil
Cash in current A/c with Nedungadi Bank - T.Nagar	4975.00	Nil
Cash in current A/c with Indian Bank	1231.00	1231

	As on 31.03.2001 Rs. P	As on 31.03.2000 Rs.
Cash in current A/c with Bank of Ceylon - Radaan Marine	4925.08	Nil
Cash in current A/c with Indian Overseas Bank	-	977467
Cash in current A/c with Bank of India	-	19950
Cash in current A/c with Bank of Madura	-	4806
	<u>131194.52</u>	
In Fixed Deposit with bank of Ceylon	700000.00	
Add : Interest Accrued on the above	4259.00	
	<u>704259.00</u>	
	3524752.97	10074466
d) Loans and Advances		
Loans and Advances	34462370.69	8688072
Prepaid Expenses	Nil	303520
	<u>34462370.69</u>	<u>8991592</u>
<b>CURRENT LIABILITIES AND PROVISIONS :</b>		
a) Sundry Creditors for Advances	21257396.00	8002225
b) Sundry Creditors for Expenses	10784754.04	613883
c) Sundry Creditors for Others	7949214.39	15054659
d) Due to Directors	65746.00	23790
e) Provision for Taxation	800000.00	101000
	<u>40857110.43</u>	<u>23795557</u>
<b>I. MISCELLANEOUS EXPENDITURE :</b>		
a) Proliminary Expenses	23472.90	26081
Less : 1/10th Amortised during the year	2608.10	20864.80
b) Expenditure pending write off		
IPR Non Compete Fees	7500000.00	
Less : written off during this year	1500000.00	
	<u>6000000.00</u>	
	6020864.80	23473
As per our Report attached For CHANDRAN AND RAMAN Chartered Accountants		
	-Sd-	-Sd-
Place : Chennai	M.R.MOHAN RATHA	R. RADIKAA
Date : 3-9-2001	Director	Director
		-Sd-
		S.G.KALYANARAMAN
		Partner

	Year ended 31-03-2001 Rs.	Period ended 31-03-2000 Rs.
<b>J. TELESERIAL REVENUE RECEIVED:</b>		
Income from Tele Episodes	116500939.00	14835000
Telecast Charges	43814456.00	Nil
Reimbursement of Production Expenses	7240044.00	Nil
	<u>167555439.00</u>	<u>14835000</u>
<b>K. OTHER INCOME:</b>		
Studio Hire Charges	111300.00	Nil
Revenue from Advertisement Films	250000.00	Nil
Miscellaneous Income	31764.50	Nil
Sale of Audio Rights	0.00	25000
	<u>393064.50</u>	<u>25000</u>
<b>L. DIRECT EXPENCES:</b>		
<b>A. TELESERIAL</b>		
Payments to Artists	16981085.00	3076930
Payment to Dubbing Artists	2319200.00	238550
Payments to Production Managers & Assisatants	5235031.00	Nil
Telecast Charges	44444456.00	6055000
Equipments / Materials Hire and Expenses	7511274.00	204458
Payments to Technician	17949925.00	1555545
Story and Dialogue Writers Payments	2007250.00	365000
Production Expenses	3107689.75	634746
Studio Rent and hire Charges	580585.00	390000
Titling & Effects Charges	306570.50	57680
Stills Expenses	135828.00	3505
Wages and Batta	2992977.00	518393
Costumes and Make-up	2106224.15	203442
Lighting and Generator Hire Charges	5848646.90	196992
Camera Hire and Maintenance Charges	4301856.00	420750
Music Composing and Re-cording Expenses	2907265.00	339570
Travelling and Conveyance	6541354.75	231335
Vehicle Maintenance and Hire Charges (Production)	2160282.30	200493

	Year ended 31-03-2001 Rs.	Period ended 31-03-2000 Rs.
Cassettes and Negatives Purchased	3601690.00	187886
Location Rent	4278474.00	376190
Format & Concept Charges	3426000.00	Nil
Software Charges	1120495.00	Nil
Non Compete Fees - Written off	1500000.00	Nil
<b>B. EVENT SHOW :</b>		
Auditorium Rent	358916.00	Nil
Payments to Artists	6850000.00	Nil
Payment to Models	160550.00	Nil
Video & Audio Expenses	260300.00	Nil
	<u>148993925.35</u>	<u>15256565</u>
<b>M. ADMINISTRATIVE EXPENSES</b>		
Directors Remuneration	3174750.00	165000
Postage, Telephone & Communication Charges	1468610.47	10401
Printing and Stationery	354440.56	20481
Staff Welfare	287509.85	15034
Repairs and Maintenance	1600208.10	124278
Legal fees and Expenses	1264788.00	9141
Vehicle Maintenance	353004.20	34432
Insurance Charges	103555.00	8398
Professional Charges	313144.35	101650
Advertisement and Publicity Charges	255647.00	36500
Audit Fees	102500.00	25000
Donation	301607.00	15000
Service Charges	Nil	18500
Miscellaneous Expenses	75328.70	14582
Salary to Staff	2310714.00	Nil
Electricity Charges	484456.00	Nil
Commission and Brokerage	218139.00	Nil
Consultancy Charges	435750.00	Nil

	Year ended 31-03-2001 Rs.	Period ended 31-03-2000 Rs.
Business Promotion Expenses	357858.68	Nil
Contribution to PF	129770.00	Nil
Contribution to ESI	49795.90	Nil
Godown Rent	15000.00	Nil
Lease Rent (Computer)	55691.50	Nil
Books & Periodical	9831.50	Nil
Rent	1380000.00	Nil
Security Charges	307259.00	Nil
Bad Debts written off	4925178.00	Nil
	<u>20334536.81</u>	<u>598396</u>
<b>N. Interest and Bank Charges</b>		
Bank Charges	165625.13	19056
Interest & Finance Charges	6772091.14	43440
	<u>6937716.27</u>	<u>62496</u>

As per our Report attached

For CHANDRAN AND RAMAN  
Chartered Accountants

-Sd-  
Place : Chennai M.R.MOHAN RATHA  
Date : 3-9-2001 Director

-Sd-  
R. RADIKAA  
Director

-Sd-  
S.G.KALYANARAMAN  
Partner

**SCHEDULE:N**
**1) Significant Accounting policies:**

- (i) The financial statements have been prepared on historical cost convention and in accordance with the normally accepted accounting principles.
- (ii) Fixed assets are stated at cost less depreciation wherever applicable.
- (iii) Depreciation is provided at the rates prescribed and in the manner indicated in Schedule XIV to the Companies Act, 1956 on Written down value basis. Improvement effected on premises taken on lease are amortised over the period of lease.
- (iv) Expenditure of Revenue nature, having utilisation value over a period of more then 12 months is written off over the period of utilisation.
- (v) Revenue is recognised and Expenditure is accounted for on accrual.
- (vi) Stock of cassettes and work-in- progress are valued at cost.
- (vii) Employee retirement benefits will be accounted for from the year in Which such liabilities accrue.

- 2) (a) The Company has entered into an agreement with Smt. R. Radikaa for the exclusive use and exploitation of her acting talents and skills in the tele Serials/ Tele Films being produced and reproduced by the company. The company has been granted the said exclusive rights for a period of 5years in consideration of payment of Rs.75 lakhs to Smt. R. Radikaa. In accordance with the accounting policy of the company, 1/5th of the said sum has been written off in the accounts, the balance 4/5th being deferred for write off in the future years.
- (b) The consideration of Rs. 75 lakhs as stated in Para 2(a)above has been discharged by way of allotment of equity shares to Smt. R. Radikaa for consideration other than cash.

- 3) The Company is engaged in the business of producing and telecasting Tele Serials and Tele films. The cost of Episodes of Tele Serials completed and pending Telecast and also the cost of Tele films completed and pending telecast as on the date of balance sheet have been considered as work-in-progress and the same have been valued at cost.Amount due from directors, their relatives and firms in which they are interested are hereunder:

Name	Amount due	Maximum amount due at any time during the year
R. RADIKAA	Rs. 49,58,580	Rs. 49,58,580
MOHAN RATHA	Rs. 6,90,083	Rs. 6,90,083
GEETHA RATHA	Rs. 4,24,215	Rs. 4,24,215
SUNITHA RATHA	Rs. 10,46,612	Rs. 10,46,612
RAJU RATHA	Rs. 4,43,638	Rs. 4,43,638

5) Contingent Liabilities not provided for:

- |   |     |
|---|-----|
| a) Estimated amount of contracts remaining to be executed on Capital Accounts | NIL |
| b) Claims against the company not acknowledged as debts                       | NIL |
| c) Other monies for which the company is contingent liable                    | NIL |

6) Auditor's Remuneration

	Year Ended 31.03.2001	Period Ended 31.03.2000
a) Audit Fees	75,000.00	15,000.00
b) Taxation	25,000.00	10,000.00
	<u>1,00,000.00</u>	<u>25,000.00</u>

5) Licensed and installed Capacity - Not Applicable

6) Earning in Foreign Currency - Rs. 58,59,976/-

7) Expenditure in Foreign Currency - NIL

8) Amount shown under previous year's figures in the Profit and Loss Account represents figures for a part of the year, Viz., 15.09.1999 to 31.03.2000 and the said figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

Signatories to Schedules "A" to "N"

	-Sd-	-Sd-	For CHANDRAN AND RAMAN Chartered Accountants
Place : Chennai Date : 3-9-2001	M.R.MOHAN RATHA Director	R. RADIKAA Director	-Sd- S.G.KALYANARAMAN Partner