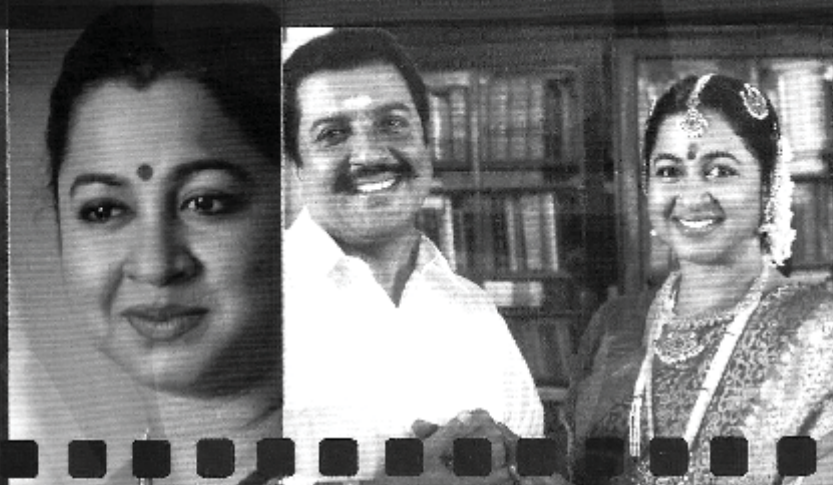


RADAAN

MEDIAWORKS (I) LIMITED

Annual Report 2003-2004



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Corporate information

BOARD OF DIRECTORS

R.Radika, *Chairperson*
M.R.Mohan Ratha, *Managing Director*
Raju Radha, *Director*
Geetha Ratha, *Director*
B.S.Radhakrishnan, *Ceo & Director*
D.Ravichander Babu, *Director*
P.K. Raghur Kumar, *Director*
Harsh Dalmia, *Director*

COMPANY SECRETARY

S.Balakrishnan

REGISTERED OFFICE

No.10, Paul Appasamy St, T.Nagar, Chennai-600 017
Ph : +91-44-28225935/28225972/28241575 • Fax: +91-44-28225934
Website: www.radaan.tv • Email: info@radaan.tv

AUDITORS

CNGSN & Associates
Chartered Accountants
"Agastya Manor" New No. 20 Old No.13, Raja Street
T. Nagar, Chennai-600 017

LEGAL ADVISOR

Mt. P.H. Arvindh Pandian, *Associate*
New No.12 1st Cross Street, Ramakrishna Nagar,
Mandaveli, Chennai-600 028

BANKERS

Indian Overseas Bank, Saidapet, Chennai-600 015

REGISTRARS & SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Limited
Subramanian Building V Floor, No.1 Club House Road, Chennai - 600 002
Ph: 044-28460390 (5 Lines) • Fax: 044-28460139 grams : "cameo"
E-mail: cameosys@satyam.net.in

Notice to the Shareholders

Notice is hereby given that the Fifth Annual General Meeting of the members of Radaan Mediaworks (I) Limited, will be held at Guindy Lodge, Madras Race Club, Guindy, Chennai on Tuesday the 21st September 2004 at 12.15 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004, Profit & Loss account for the year ended 31st March 2004 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri.M.R.Mohan Ratha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. B.S.Radhakrishnan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri. Raju Radha, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s CNGSN & Associates, Chartered Accountants as Auditors of the company who shall hold office from the conclusion of this Annual general Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board
RADAAN MEDIAWORKS (I) LIMITED

(sd)

M.R.Mohan Ratha
Managing Director

Date: 29-07-2004
Place: Chennai

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
2. The Register of Members and the Share Transfer books of the company will remain closed from 15th September 2004 to 21st September 2004. (both days inclusive).
3. For shares held in physical form, any change in address may be immediately intimated to the company/Share transfer agent by quoting the folio nos. For shares held in demat form change in address may be intimated directly to the members' DP.
4. Members/Proxies are requested to fill the Attendance slip sent with the Annual Report for attending the Meeting.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. The company's equity shares are listed in Madras and National stock exchanges.

7. In the case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Shareholders are requested to bring their copy of Annual Report to the Meeting.
9. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising such representatives to attend and vote at the Annual General Meeting.
10. In compliance of SEBI direction to all listed companies to maintain all works relating to share registry –both physical and electronic at single point ie either in house or by SEBI registered "Registrar & Share transfer Agent "(RTA)the company's Registrar and Share transfer Agent for both physical and demat segments are M/s Cameo Corporate Services Limited, Chennai-600 002.
Address of Registrar and Share Transfer Agent
M/s. Cameo Corporate Services Limited
Subramanian Building
No.1 Club House Road, Chennai - 600 002
Ph: 044-28460390 Fax: 044-28460129
E-Mail: Cameosys@satyam.net.in
11. Consequent upon the introduction of Section109A of the Companies Act, shareholders are entitled to make nomination in respect of the shares held by them in physical

form.Shareholders desirous of making nominations are requested to send their requests in Form 2B duly filled in and signed by them, to the Registrars and Transfer Agents M/s Cameo Corporate Services Limited, Chennai-600 002 and to the Depository Participants in case the shares are held in electronic form.

12. All documents referred to in the accompanying Notice are available for inspection by the members at the Registered office of the company on all working days between 11.00 a.m and 1.00 p.m prior to the date of the Meeting.

Reappointment of Directors:

At the ensuing Annual General Meeting, Sri.M.R.Mohan Ratha, Sri.B.S.Radhakrishnan and Sri.Raju Radha retire by rotation and being eligible offer themselves for reappointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the Report on Corporate Governance published in the Annual Report.

By order of the Board RADAAN MEDIAWORKS (I) LIMITED

(sd)

M.R.Mohan Ratha
Managing Director

Date: 29-07-2004
Place: Chennai



Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Fifth Annual report together with the Audited accounts of the company for the year ended 31-03-2004.

FINANCIAL PERFORMANCE

The performance of the company was better when compared with the previous year as is obvious from the highlights given below:

Particulars	[Rs. in millions]	
	2003-2004	2002-2003
Turnover	309.68	253.22
Profit before interest, finance charges and depreciation	39.61	37.63
Interest and finance charges	7.67	11.03
Profit before depreciation	31.94	26.60
Depreciation	11.82	10.27
Profit before tax	20.12	16.33
Provision for income tax		
Current tax	1.43	1.29
Deferred tax		4.52
Profit after tax	18.69	10.52

DIVIDENDS

Your company wishes to utilise the profits for working capital and accordingly it is proposed not to declare any dividend for the year ended 31-03-2004.

REVIEW OF PERFORMANCE

Your company has recorded a strong revenue growth of more than 22 per cent during the financial year 2003-04. However post tax profits grew by 77 per cent, signifying a huge positive divergence. This is also much higher when compared to the performance of the company in the past.

The company has been able to increase revenue and profits by sweating its assets more efficiently - enforcing more discipline into operations and drastically reducing production expenses. In addition, the company has adopted a prudent combination of elements namely income from sponsored and commissioned teleserials and sizeable export earnings to constitute the revenue basket.

Higher profits were achieved by your company due to its thrust on sponsored revenues through innovative marketing involving profit-sharing arrangements. During this year, your company has entered into the area of feature films producing a feature film in Telugu after due assessment of the risks and market conditions. Though it may not be a higher profit contributor it has been an encouraging revenue generator for your company.

Your company's programmes address diverse genres: family drama, sitcoms, thrillers, format game shows and feature films, which de-risk the business to a great extent.

Your company has emerged as the most preferred television content producer on all the leading channels across all regional languages in South India. The company's content is also telecast in Malaysia, Sri Lanka, Canada and UK thus enabling it to earn valuable foreign exchange to the tune of Rs.23.79 million which has increased by 131 per cent when compared with the previous year.

OUTLOOK FOR THE YEAR 2004-05

Your company continues to produce content in Tamil, Kannada, Telugu and Sinhalese. Plans are on to produce a daily serial in Gujarati in the immediate future followed by a serial in Marathi and Hindi, respectively.

The outlook for the year 2004-05 looks very promising. Profitability and revenues will continue to ride the robust industry growth similar to last year. The company's focus on its core competence namely, television content production, will be further reinforced with consistency on quality programming, targeting of higher TRPs and de-risking through a wider channel presence. The company plans to achieve unprecedented economies of scale and profitability through a relentless cost reduction exercise, a ramp up of efficiencies and a systematic productivity build-up in operations.

During the year, your company's foray into a Tamil feature film production, titled 'Jeyram', incurred a loss despite due diligence and careful assessment of the risks involved. It has therefore been decided to put further ventures in this segment on the backburner for the time being.

To drive growth over the foreseeable future, your company expects to increase presence across more channels, more specifically in the national networks. It expects to grow the number of programming hours across many genres, television channels and languages with an emphasis on generating stronger realisations through higher production quality.

DIRECTORS

Sri M.R.Mohan Ratha, Sri B.S.Radhakrishnan and Sri Raju Radha retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief

resume of the above directors, the nature of their expertise in specific functional areas, the names of companies in which they hold the directorships and membership / chairmanship of committees of the Board as stipulated under clause 49 of the listing agreement with the stock exchanges are given in the section on corporate governance elsewhere in the annual report.

FIXED DEPOSITS

The company has not accepted any fixed deposit during the year.

SUBDIVISION OF SHARES

As you are aware, your company, in order to facilitate small retail investors resorted to a stock split in 2004-05 and pursuant to the approval of the members at the EGM held on 25-03-2004 in this regard, all the existing equity shares of face value of Rs.10/- each comprising the authorised capital of the company, both issued and unissued, have been sub-divided into equity shares of Rs.2/- each by sub-dividing one existing equity share of Rs.10 each into five equity shares of Rs.2/- each and this sub-division has been effected in April 2004. The Company has forfeited 1700 equity shares of Rs.10 each (equivalent to 8500 shares of Rs.2 each) on 01-06-2004.

COMPLIANCE OF SECTION 217 OF THE COMPANIES ACT 1956

The provisions of Section 217(1)(e) of the Companies Act 1956 read together with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 regarding conservation of energy and technology absorption are not applicable to the company. However in the studios, post-production facilities etc.adequate measures are being taken to conserve energy as far as possible.

None of the employees is in receipt of remuneration as specified under Section 217(2A) of the Companies Act 1956.

DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR

Foreign exchange earnings: US \$ 533,012 (equivalent to Rs.2,37,91,458)

Foreign exchange outgo: US \$ 28,940 (equivalent to Rs.13,62,120)

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the stock exchanges, the following have been made a part of the annual report and are attached to this report.

- Management's discussion and analysis
- Corporate governance report
- Certificate from the Auditors regarding compliance of conditions of corporate governance.

AUDITORS

M/s CNGSN & Associates, Chartered Accountants are the new Statutory Auditors of the company appointed by the members at the EGM held on 25-03-2004 to fill up the casual vacancy caused by the resignation of the erstwhile Auditors, M/s Chandran & Raman, Chartered Accountants. M/s CNGSN & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. The Board recommends the reappointment of M/s CNGSN & Associates as Statutory Auditors.

In respect of the undisputed Statutory Dues and contingent liability as referred to in the Auditors' Report your company has taken the necessary steps in accordance with the relevant rules and regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of the provisions of Section 217 (2AA) of the Companies Act 1956 ('the Act') your Directors hereby confirm that:

In preparing the annual accounts for the year ended 31st March 2004, all the applicable accounting standards have been followed.

Accounting policies were adopted and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2004.

Proper and sufficient care was taken 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.

The annual accounts have been prepared on a 'going concern' basis.

SOCIAL RESPONSIBILITY

During the year, the company as a mark of reciprocation and gratitude to its viewer audiences worldwide and the public in general, has made a contribution to an NGO called RASA (Ramana Sumritalaya) which helps children / adults with physical, mental and socio-economic disabilities who need special care.

The company is exploring the option of supporting more such projects and would like to dedicate itself to noble causes that help the general public in any manner possible in the foreseeable future.

ACKNOWLEDGEMENT

Your directors thank and acknowledge the continued cooperation extended by the Government of Tamilnadu, Indian Overseas Bank, Sun TV, Udaya TV, Gemini TV, Surya TV, UTV Software Communications Ltd., Vision Time, Astro Vanavil, Dhceptam TV, Shakti TV, The Maharaja Organisation Ltd., other overseas associates and channels, actors, actresses, technicians, employees, sponsors and the millions of viewers.

For Radaan Mediaworks (I) Limited

Chennai
29-07-2004

[sd]
Chairperson



Management's Discussion & Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The entertainment industry is as old as mankind itself.

Regarded as the fourth basic need of mankind after food, clothing and shelter, organised entertainment probably began with the first songs and dances around Stone Age campfires.

By the time the Roman gladiators had entered the amphitheatre scene, entertainment had transformed into a fledgling industry - tickets, advance bookings, grandstands et al.

The rest is history.

Today, the entertainment industry including films, music, broadcasting, television and live events is estimated to be worth Rs. 19, 200 crores [US\$ 4,267 mn]. Of this, the television industry is by far the largest, being worth Rs. 12,900 crores in 2003. (source: Industry estimates, Ernst & Young). The industry is estimated to provide employment to almost six million people.

RATIONALE FOR PRESENCE

A population of more than a billion makes India the second

biggest entertainment market in the world and perhaps the most competitive.

More than 30 languages, 8000 television production houses and over 500 daily and 200 weekly television programmes mirror the industry's exciting prospects.

In spite of such phenomenal figures, Indian television programmes have been notching a success ratio (audience attention) of only around 5-10 per cent, based on average TRP ratings. However, a majority of all successful programmes have been produced by a handful of television production houses in India. Radaan is one such production house.

COMPANY OVERVIEW

Radaan has emerged as one of the most successful media entertainment companies in India.

It is the leading production house in South India and among the top five in the country.

It is the most preferred television content provider on all the

THE COMPANY'S REVENUE FROM TELESERIALS /TELEFILMS DURING THE YEAR WAS RS.28.11 CRORES AS AGAINST 25.33 CRORES IN THE PREVIOUS YEAR. THE COMPANY ADDED ANOTHER ELEMENT TO ITS REVENUE MIX THIS YEAR WITH THE PRODUCTION AND MARKETING OF A TELUGU FILM, 'DHUM'.

leading channels across all regional languages in South India.

The company is engaged in the business of producing world class television software, digital graphics, imaging special effects and organising live events resulting in an integrated business model.

It is a leading television content provider in South India with a strong presence in television channels across a number of languages in the region.

OPERATIONAL REVIEW

Marketing

Radaan Mediaworks' content primarily comprises sponsored programmes. They are marketed to advertisers through alliances with LTV and Vision Time whose national presence ensures that the crème de la crème of Indian advertisers end up vying for eyeballs on each Radaan sponsored programme, in turn enhancing the company's brand equity.

Infrastructure

The company's sprawling studio facilities comprise 12 post-production suites. They include four edit suites, six voice studios and an exclusive ad posting and AB roll studio. Hardware and software have been sourced from best in class international vendors like Sony, JVC, Steinberg and Nuendo, among others. The company's state-of-the-art non-linear editing suites from Matrix and Discreet Logic run on powerful SGI and IBM workstations connected by a robust and sophisticated broadband network.

Operations

The company's revenue from teleserials /television films during the year was Rs.28.11 crores as against 25.33 crores in the previous year. The company added another element to its revenue mix this year with the production and marketing of a Telugu film, 'Dhum'. As a result, the company recorded an additional Rs.2.89 crores to its topline. Teleserials and feature films are taken as separate segments within the company. While teleserials have resulted in a profit of Rs.197.84 lakhs, feature films have resulted in a profit of just Rs.3.37 lakhs.

Financials at a glance

The company has shown all-round improvement in terms of better revenues, lesser interest and finance charges and higher profits.

- The paid-up equity share capital of the company as on 31 March 2004 was Rs. 10.65 crores comprising 1,08,34,008 shares of Rs.10 each less calls in arrears. The company has since subdivided the shares from Rs.10 to Rs.2/- per share.
- During the year under review, reserves and surplus amounted to Rs.10.19 crores as against Rs. 6.51 crores in the previous year.
- Secured loans have gone up from Rs. 4.21 crores to Rs. 5.15 crores which was mainly due to higher utilisation of working capital finance from bankers.
- Gross fixed assets rose to Rs.9.02 crores as against Rs. 8.26 crores in the previous year.
- Profit before interest, finance charges, bad debts and depreciation for the year was Rs. 4.49 crores as against Rs. 4.11 crores in the previous year.
- Interest and finance charges have come down to Rs.76.67 lakhs as against Rs.110.25 lakhs in the previous year.
- Profit after tax is Rs.186.89 lakhs as against Rs.105.20 lakhs in the previous year.

STRENGTHS

Great creative team

The company is powered by a high-profile creative team headed by Ms.R.Radikaa, the Chairperson. The latter has an impressive track record of more than 25 years' relevant experience within the entertainment industry. The company has a second level team to assist her on all projects for the immediate and foreseeable future.

Skilled manpower

The company is manned by highly skilled technicians, well trained and experienced in their respective departments, across all areas of operations – pre-production/creative, production

management and post-production.

Professionally managed

The company is one of the pioneers in the entertainment media industry to usher in corporatisation of operations and implement management information systems to introduce error-free methodologies.

Trailblazing track record

The company has set an industry-inspiring record of successful programmes in practically every genre of programme generation proved time and again by the high TRP ratings.

Brand equity

Radaan is one of the premier content providers in the country. Its well-established brand equity positions it securely in the highly competitive entertainment media market, both in India as well as abroad.

Fully integrated operations

Radaan has fully integrated operations and the resources to address any kind of situation vis-à-vis the conception, production and marketing of television programmes for entertainment. It is thus in a position to provide holistic solutions to the entertainment media industry.

Weaknesses

The company's programmes are currently restricted to regional viewers

There is no fixed formula to achieve ratings as audience views and preferences keep changing.

Government policies relating to broadcast license especially to regulate cable TV /pay TV.

The lack of a governing body for television censorship.

OPPORTUNITIES

Abundant and increasing business

The television software sector commands a business of about Rs.2500 crores, and is projected to grow at an average rate of 15-20 per cent per annum. Of this, more than Rs. 550 crore is

RADAAN HAS FULLY INTEGRATED OPERATIONS AND THE RESOURCES TO ADDRESS ANY KIND OF SITUATION VIS-À-VIS THE CONCEPTION, PRODUCTION AND MARKETING OF TELEVISION PROGRAMMES FOR ENTERTAINMENT.

derived from international syndication. Currently, there are about 65 channels with an additional four to five channels joining the fray every year.

Increasing viewership and emergence of new channels

The growth of cable and satellite (C&S) homes has been at a blistering pace. Presently there are about 8.5 million TV homes in India. Of this, only 22 percent are C&S homes, a very low penetration ratio when compared to other countries. Therefore, there is immense opportunity for growth here and it is expected that the number of C&S homes will grow at the rate of 9-10 per cent annually.

Market both in India and abroad

There is a huge market for Indian television programmes both in India as well as abroad. In addition to revenues from domestic broadcast, a producer has abundant scope to sell the international rights in Indian languages to the Indian diaspora abroad. The experience of Indian producers in countries like Malaysia, Singapore, Thailand, Indonesia, Middle East, South Africa, UK, Europe, Canada and the USA are vindication enough of business being lucrative.

THREATS

- Non-availability of skilled technicians.
- No entry barriers for new entrants, leading to a clutter of competition.
- Highly capital intensive business.
- Low retention of talent.
- Changing tastes of the viewers / audience.
- Change in ownership of the company.
- Piracy problems
- Change in government policies e.g. the recently announced service tax applicable for independent TV producers.

RISKS AND CONCERNS

The company's programmes mainly run on Sun network. This dependency on one network can affect the future business.

SPOTLIGHT: RADAAN

Radaan is a household name in about 2.5 million homes around the world where Tamil, Telugu and Kannada are spoken.

Its programmes are telecast on all major channels in South India: Sun, Gemini, Surya, Udaya and ETV.

The company's content has also been telecast in Malaysia, Sri Lanka, South Africa and UK.

Its programmes address diverse genres: family drama, sitcoms, thrillers, format game shows, telefilms and feature films. The company's family centric story themes are painstakingly researched from real life incidents.

model and profitability of the company adversely.

The company is aware of this risk and is in the process of reducing the dependency by launching new programmes in the national channels.

The company's current programmes are regional in nature and it is yet to make its mark in the national market.

The company has taken cognizance of this risk and has entered the national market as early as August 2001 with one daily programme on a prime time band in Zee TV. It is chalking out plans to enter national as well as international markets and already has started Sinhalese content production for Sri Lanka.

OUTLOOK

Contrary to popular industry opinion Radaan's business model revolves around sponsored revenues. The company purchases time-slots from channels and markets content to advertisers through marketing partners. This sponsored model permits Radaan to retain the already expensed content rights for subsequent marketing to the vast Indian diaspora in the high margin Asian markets translating into attractive export income.

Over the years, the company progressively plans to de-risk the business through the production of Marathi, Gujarati and Sinhalese content. In this regard, it has explored, through the following models:

- Commissioned business
- Commissioned plus minimum guarantee
- Profit-sharing

Gradually the company has evolved a hybrid revenue model (commission and profit sharing) for the international market, sharing the IPRs and maximising revenues.

INTERNAL CONTROLS AND THEIR ADEQUACY

The company has customised accounting packages with built-in

security which prohibit deletions and overwriting once the accounting entry is passed. The company has introduced checks at various levels to monitor and control expenses. The company has appointed a chartered accountants' firm as Internal Auditors. The Internal Auditors periodically review the transactions and also review the efficiency of existing controls.

HUMAN CAPITAL

Human capital is a very important asset in a media company. Over the years the company has built a valuable human resource structure which has enabled it to forge ahead in a fiercely competitive market. The company has a strong qualified and experienced team of professionals in creatives, production, marketing and sales etc. As on 31st March 2004 the company had 85 employees on its rolls.

FORWARD-LOOKING STATEMENTS

Members and investors are cautioned that the management's discussion and analysis report presented hereinabove, contains the company's objectives, projections, estimations and expectations which may be forward looking statements within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectation of future events.

The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The important factors which could have an impact on the company's operations include economic conditions, changes in government regulations and other incidental factors. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing agreement)

INTRODUCTION

The Company has been complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects. The Company is committed to strong Corporate Governance and believes in its indispensability in investor protection. The company is in the continued pursuit of strengthening its governance practices and the company's compliance with the code is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of a high degree of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees and the lenders. The company is committed to achieving the high standards of Corporate Governance and believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2. BOARD OF DIRECTORS:

The Board of Directors consists of 8 Directors, out of which 5 are non-executive Directors. The composition of the Board and the category of Directors is as follows:

Category	Name of the Directors
Promoter/Executive Director	M.R. Mohan Ratha Managing Director
Promoter/Non-Executive Chairperson	R.Radikaa
Promoter/Non-Executive Directors	Raju Radha Geetha Ratha
Non-Promoter/Executive Directors	B.S.Radhakrishnan Director & CEO D.Ravichander Babu Director (Finance)
Independent Directors	P.K.Raghukumar Hash Dalmia

Brief resume of the Directors being appointed or reappointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and the membership of committees of the Board are furnished hereunder:

- Shri.M.R.Mohan Ratha, aged 37 years is the Managing Director since June 2002 and heads the entire operations of the company. He takes care of the daily operations and is also responsible for the company's growth plans and strategies. In the initial part of his career he was involved in setting up a Garment manufacturing unit in Colombo, Sri Lanka and successfully managed it. He was brought in at the inception stage to manage the company and his success is reflected in the Company's present stature. He was mainly instrumental in the success of projects like 'Chithi', Annamalai, Chinna Pappa and Periya Pappa in Sun TV, Idhi Katha Kathu in ETV.
- Shri.B.S. Radhakrishnan, aged 40 years is a B.Sc. and M.A (Public Administration) and is a Director of the company since July 2000. He has worked as freelancer in several feature films and TV Production houses in India and abroad. He has worked with leading film Directors namely Mani Ratnam, P.Vasu, K.Subhash and Art Directors viz Sabu Cyril and Thota Tharani under different capacities mainly heading the technical front of Special visual effects and computer Graphics. He has produced his own documentary film at the age of 21 which won the Best Documentary Award from the Governor of Tamilnadu. He heads the technical front of the

company and its CEO. He is also a Director in Radaan Mediaworks SDN.BHD, Malaysia and has brought more than dozen digital media companies into India and has represented them on various capacities such as Distributor and Product specialists. He hails from Mr.Balachander's school and also brings with him his acting talents. He is considered a full fledged media and entertainment personality. He is a member of the Shareholders'/Investors Grievance Committee of the company.

- c) Shri. Raju Radha, aged 39 years Director of the company since July 2000 (for a brief period he had resigned and again rejoined as Director in October 2002) completed diploma in Commerce and Economics in London. He started his career in the financial services activity and focused on funding to the film industry. Presently he is engaged in shipping business, which is running successfully in Sri Lanka. He is a Director in Marine Express Lines (P) Limited and HRC Indira (UK) Limited, Sri Lanka. He is a member of the Audit Committee and shareholders'/Investors Grievance Committee of the company.

Board Meetings, Committee Meetings and Procedures:

- a) The company held eight meetings during the year by giving one week notice to each of the Directors. These were on 2-6-2003,29-6-2003,29-7-2003,29-8-2003,31-10-2003, 14-1-2004,30-1-2004 and 11-2-2004.Out of these Eight, four Meetings were held at the end of each quarter as required under Clause 41 of the Listing Agreement and the remaining four Meetings were convened to address the specific needs of the company. The Company has held at least one Meeting in every three months and the time gap between any two Meetings was not more than three months.
- b) The Meetings are held at the Company's registered office at

No.10,Paul Appasamy Street,T.Nagar,Chennai-600 017.

- c) All divisions/departments in the company are encouraged to plan their functions well in advance particularly with regard to matters requiring discussion/approval/decision in the Board /Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for Board Meetings.
- d) The Board is periodically appraised with regard to the Finance, Sales and Marketing and the major business segments and operations of the company, before taking on record the results of the company for the preceding financial quarter. The Board's annual agenda includes review of performance of the company for the year and whether to conserve funds for working capital in the light of the performance of the company or to recommend dividend, determining directors who shall retire by rotation and recommending appointment of Directors/Auditors, authentication of annual accounts and approving Directors' Report, formulation and approval of strategic business plan for the company and the principal issues that the company expects to face in the future. Board Meetings also note and review functions of Committees.
- e) The Company Secretary records the Minutes of the proceedings of each Board and Committee Meetings. Draft Minutes are circulated to all the members of the Board for their comments. The Minutes of the proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the Meeting.
- j) The Company secretary while preparing the Agenda notes on Agenda, minutes etc of the Meeting(s), is responsible for ensuring adherence to the applicable provisions of law including the Companies Act 1956 and compliance with the provisions of the Listing Agreement.

Directors' Attendance Particulars and Directorships held:

Name of Director	Attendance Particulars		Directorships in other public limited companies incorporated in India	Committee memberships	Committee chairmanships
	Board Meetings(8)	Last AGM			
Ms. R. Radika	8	Present	-	1	-
Mr. M.R.Mohan Ratha	8	Present	-	-	-
Mr. Raju Radha	1	Present	-	1	-
Ms. Geetha Ratha	3	Present	-	-	-
Mr. B. S. Radhakrishnan	8	Present	-	1	-
Mr. D. Ravichander Babu	8	Present	1	-	-
Mr. P. K. Raghu Kumar	8	Present	2	-	3
Mr. Harsh Dalmia	6	Not present	3	2	-

None of the Directors was a member of more than 10 Committees nor was the Chairman of more than five across all companies in which he was a Director.

A) INFORMATION SUPPLIED TO THE BOARD.

Among others, this includes:

- Review of annual operating plans of businesses.
- Minutes of meeting of Audit Committee and other Committees
- Material important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences.
- Any materially relevant default in financial obligations to and by the company;
- Any issue involves possible public claims of substantial nature,
- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.
- Sale of material nature, of investments, assets, which is not in the normal course of business.
- Non-compliance of any regulatory or statutory provisions or listing requirements as well as Shareholder services.

The Board of Radaan Mediaworks (I) Limited is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers in advance of the Board meetings or are tabled in course of the Board meetings.

B) COMMITTEES OF THE BOARD.

Audit Committee

A Qualified and an independent Audit Committee of the Board of the Company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure and transparency and quality of financial reporting. The committee recommends the appointment and removal of external auditors, internal auditors, their audit fees etc. The committee reviews the financial and risk management policies and also adequacy of internal control systems and meets the Internal auditors and statutory auditors periodically. This is enhancing the credibility of the financial disclosures of the company and also promotes transparency.

The company continued to derive immense benefits from the deliberations of the Audit Committee comprising three Directors – Mr. P.K. Raghu Kumar, Chairman, Mr. Raju Radha and Mr. Harsh Dalmia who are eminent professionals and equipped with sound knowledge in project finance, accounts and company law. Minutes of each Audit Committee meeting are placed before, and discussed in, the full Board.

During the year the Audit Committee has met 6 times on 29-06-03, 29-07-03, 31-10-03, 30-01-04, 11-02-04 and 25-03-04 as against the minimum requirement of 3 meetings. Director (Finance), Internal Auditors and the Statutory Auditors are invited to be present at the audit committee Meetings.

Table 4: Attendance record of Audit committee members

Name of Director	No. of Meetings	Meetings attended
Mr.P.K.Raghu Kumar, Chairman	6	6
Mr. Harsh Dalmia	6	6
Mr. Raju Radha	6	2
Mr. D.RavichanderBabu	6	6

In addition to the areas noted above, Radaan's audit committee looks into control and security of the company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principles, if any.

Shareholders/Investors Grievances committee

The Shareholders/Investors Grievance Committee specifically looks into redressing of Shareholders and Investors' complaints such as transfer of shares and to ensure expeditious share transfer process. The committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipt of Balance sheet etc. The Committee also oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.

This committee comprising of Mr. P.K. Raghu Kumar, Chairman, Mr. B.S. Radhakrishnan and Mr. Raju Radha, members met 9 times during the year. To expedite the process of share transfers the Company ensures physical shares are processed by the Registrars and Share Transfer agents-Cameo Corporate services Limited and approved by Shareholders'/Investors Grievance Committee /Board and the certificates are dispatched to the transferees within a maximum period of 4 weeks from the date of receipt of the transfer documents by Cameo Corporate Services Limited provided the share documents are valid in all respects.

Table 5: Attendance record of Investor Grievance Committee Members

Name of Director	No. of meetings	Meetings attended
Mr. P.K. Raghu Kumar	9	9
Mr. B.S. Radhakrishnan	9	9
Mr. Raju Radha	9	3

MANAGEMENT

Disclosures by management to the Board.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and interested directors neither participate in the discussion, nor do they vote on such matters.

Your Company has adopted model code for prevention of Insider trading as per the SEBI directions in this regard.

SHAREHOLDERS

a) Disclosure regarding appointment or re-appointment of Directors

According to the Articles of Association of Radaan's, not less than 2/3rd of the total Directors of the company shall be person whose period of office is liable to determination by retirement of Directors by rotation. All the Directors are eligible and are offering themselves for re-election as and when required.

b) Communication to Shareholders

Radaan has its own website and all vital information relating to the company and its performance including quarterly results, official press releases and presentation to analysts are posted on the website. The company's website address is www.radaan.tv

c) Remuneration Committee

Radaan's remuneration policy is based on three tenets: pay for responsibility, pay for performance and potential, and pay for growth. The Company's remunerations committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the above remuneration of the whole-time Directors and to deal with all elements of remuneration package of all such directors. This includes details of fixed components and performance-linked incentives. Since the appointment of the whole-time director are by virtue of their employment with the company as management employees, their service contracts, notice period and severance fee, if any, is governed by the

management remuneration policy of the company. The details of remuneration paid to whole-time Directors are given in Notes on accounts and as follows:

The aggregate value of salary and perquisites paid to Managing Director Mr.M.R.Mohan Rathia:	Rs. 18,00,000
The aggregate value of salary and perquisites paid to Mr. B.S. Radhakrishnan	Rs. 12,00,000
The aggregate value of salary paid to Mr.D.Ravichander Babu	Rs. 5,85,000

The other Directors are only entitled to be paid only Sitting fees for Board/committee meetings attended by them at the rate of Rs.9000 for Board Meetings and Rs.1000 per Committee Meetings attended by them with effect from 31-10-2003. The sitting fees paid to the Directors are; Mr. P.K. Raghukumar Rs. 44,000, Mr. Harsh Dalmia Rs. 40,000 and Mr. Raju Radha Rs. 13,000.

As for the Non-Whole time directors, their appointment is for the benefit of their professional expertise in their individual capacity as independence business executives. Accordingly, the service contract, notice period and severance fees, if any of the company are not applicable to such Non-Whole time Directors.

The Committee consists of three directors – P.K.Raghukumar, Chairman, Mr.Harsh Dalmia and Ms.R.Radikaa and met once on 14-01-2004.

C) INVESTORS GRIEVANCE

As mentioned earlier in this chapter, the company has constituted Shareholder/Investors' grievance committee for redressing Shareholders' and investors' complaints. The status on complaints is reported to the Board of Directors regularly.

Sri.S.Balakrishnan, Company Secretary is the compliance officer for complying with the requirements of listing agreement with the Stock exchanges.

The total number of complaints received and resolved to the

satisfaction of the shareholders during the year under review was: 15. Outstanding complaints as on 31st March 2004 were: NIL.

Share Transfer

M/s. Cameo Corporate Services Limited Registrar, who is registered with SEBI as a category - 1 Registrar, handles all share transfer. Share Transfers, demat requests and all other investor related activities are attended to and processed at the

office of our Registrar and Share Transfer Agent.

Shareholders' correspondence should be addressed to:

M/S Cameo Corporate services Limited

"Subramanian Building"

V Floor, 1, Club House Road, Chennai-600 002

Ph: (044) 28460390(6 lines)

Fax: (044) 28460129

E-mail: cameoosys@satyam.net.in

D) GENERAL BODY MEETING

Details of last three Annual General Meeting are given below:

Financial year ended	Date	Time	Venue
31.03.2001	29.09.2001	10.00 A.M	#10, Paul Appasamy Street, T. Nagar, Chennai - 600 017
31.03.2002	30.09.2002	10.00 A.M	#10, Paul Appasamy Street, T. Nagar, Chennai - 600 017
31.03.2003	29.09.2003	12.15 P.M	Madras Race Club, Guindy, Chennai.

Disclosures:

(i) Related Party Transactions

The Company related parties and transactions are listed below

a. Parties where control exists

Ms. R.Radika, *Chairperson* Holder of More than 50% shares

b. Other related parties/key management personnel with whom transaction have taken place during the year.

Name of the Person	Nature of Relationship
a. Mr. M.R. Mohan Ratha	Managing Director
b. Ms. Geetha Ratha	Director
c. Mr. M.R. Raju Radha	Director
d. Mr. B.S. Radhakrishnan	Whole-Time Director
e. Mr. D. Ravichander Babu	Director-Finance
f. Mr.R.Sarath Kumar	Husband of Chairperson

Sl.No.	Nature of Transactions	Amounts
1.	Artists payments	86,61,000
2.	Rent	18,00,000
3.	Directors' Remuneration	35,85,000

(ii) Compliance by the company

The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory Authorities on all matters related top capital markets as and when applicable. The stock Exchanges or SEBI or any other Statutory Authority has imposed no penalties or strictures on the company.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date & Time : 21-09-2004 at 12.15 P.M

Venue: Guindy lodge, Madras Race Club, Guindy Chennai

Date of Book Closure

15-09-2004 to 21-09-2004

Listing on Stock Exchanges

- The Madras Stock Exchange Limited
- National Stock Exchange of India Limited

ISIN Number for NSDL & Central Depository Services Limited

INE874F01027

Registrar and share Transfer Agent

M/s. Cameo Corporate Services Limited

Subramanian Building

No.1 Club House Road, Chennai - 600 002

Ph: 044-28460390 Fax: 044-28460129

E-Mail: cameoosys@satyam.net.in

Financial Calendar(tentative)

Adoption of the Quarterly Results for the Quarter ending

30th June, 2004 Last week of July 2004

30th September 2004 Last week of October 2004

31st December 2004 Last week of January 2005

31st March 2005 Last week of April 2005

SHARE TRANSFER SYSTEM

The company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode, which are lodged for transfer either with the company or with the share transfer agent are processed and subject to exercise of option under compulsory transfer cum-demat procedure, share certificates are either dematted or returned within the time prescribed by the authorities.

Market Price Data:

The Monthly high and low quotations of shares traded on National Stock Exchange of India Limited during each month in

last financial year are as follows:

Month	National Stock Exchange of India Ltd	
	High	Low
April 2003	68.50	32.60
May 2003	92.00	51.00
June 2003	90.95	72.45
July 2003	127.00	76.50
August 2003	105.00	65.50
September 2003	68.55	47.00
October 2003	58.00	45.00
November 2003	80.00	49.55
December 2003	94.00	67.15
January 2004	92.95	63.00
February 2004	69.50	50.25
March 2004	71.90	43.15

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2004

Share holdings	Share holders		Share Amount	
	Number	% of total	In Rs	% of total
Upto 5000	584	88.49	6,81,340	0.63
5001-10000	26	3.94	2,21,040	0.20
10001-20000	5	0.75	75,500	0.07
20001-30000	8	1.21	2,11,150	0.20
30001-40000	4	0.61	1,39,180	0.13
40001-50000	2	0.30	1,00,000	0.09
50001-60000	4	0.61	3,03,210	0.28
100001 and above	27	4.09	10,66,08,660	98.40
Total	660	100.00	10,83,40,080	100.00

SHAREHOLDING PATTERN AS ON 31-03-2004

Category	No: of Shares held	% of Shareholding
A PROMOTERS HOLDING		
1 Promoters*		
- Indian Promoters	7906808	72.98
- Foreign Promoters	NIL	NIL
2 Persons Acting in Concert#	141200	1.30
Sub-Total	8048008	74.28
B NON-PROMOTERS HOLDING		
3 Institutional Investors		
A Mutual Funds and UTI	NIL	NIL
B Banks, Financial Institutions, Insurance Companies (Central/State/Govt. Institutions/Non-Government Institutions)	NIL	NIL
C FIs	800000	7.38
Sub-Total	800000	7.38
4 Others		
A Private Corporate Bodies	1604373	14.81
B Indian Public	351627	3.25
C NRIs/OCBs	-	-
D Any other (Please Specify)		
TRUST	30000	0.28
Sub-Total	1986000	18.34
GRAND TOTAL	10834008	100

NON MANDATORY REQUIREMENTS

a. Chairperson of the Board:

Whether the Chairperson of the Board is entitled to maintain a Chairperson's office at the Company's expense and also allowed to reimbursement of expenses incurred in the performance of her duties: No

b. Means of communication:

The half-yearly declaration of financial performance including a summary of the significant events in last six months should be sent to the Shareholder:

The company does not send its half yearly report to each shareholder.

The company's audited and un-audited results are widely published in English and Tamil Newspapers. Members are requested to view the Website for information at www.radaan.tv

c. Postal Ballot:

The company has not yet made use of postal Ballot as none of the subjects as specified therein has come up for consideration so far.

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Radaan Mediaworks (I) Limited for the year ended 31st March 2004 as stipulated in Clause 49 of the Listing agreement of the said company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the abovementioned Listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period exceeding one month against the company as per the records maintained by the shareholders/Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For CNGSN & Associates
Chartered Accountants

(sd)
C. N. Gangadaran
Partner

Place: Chennai
Date : 29-07-2004

Auditors' Report

To the Members of
Radaan Mediaworks (I) Ltd.

We have audited the attached Balance Sheet of RADAAN MEDIAWORKS (I) Ltd. as at 31st MARCH 2004 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs on 12th June 2003 in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose 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 those books.

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2004 from being appointed as a director in terms of Clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2004, and
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

For CNGSN & ASSOCIATES

Chartered Accountants

[Sd]

Place: Chennai

C. N. Gangadaram

Dated: 18th June, 2004

Partner

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the report of even date of the Auditors to the members of RADAAN MEDIAWORKS (I) LIMITED on the accounts for the year ended 31st March 2004.

- 1) (a) The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a phased programme of physical verification of all fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this program, the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - (c) No substantial part of the fixed assets has been disposed off during the year and the going concern status of the company is not affected.
- 2) In our opinion, clause 4 (ii) is not applicable to the company since its nature of business is not as such.
- 3) The Company has neither taken nor given loans, secured or unsecured from /to companies, firm or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- 4) 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 the nature of its business with regards to purchase of fixed assets and for the sale of teleserial.

- 5) In respect of transactions covered under section 301 of the Companies Act, 1956
 - (a) In our opinion, and according to the information and explanations given to us, the transaction in pursuance of contracts that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts entered in the register under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) The Company has not accepted any Fixed Deposits from the public during the year and therefore, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under does not arise.

7) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business

8) Maintenance of cost records under section 209(1) (d) of the Companies act, 1956 is not applicable to the company.

9) (a) According to the records of the company, undisputed statutory dues including Provident fund, employees state insurance fund, income-tax, wealth tax, sales tax, customs duty, excise duty and other statutory dues have been deposited regularly during the year with the appropriate authorities except tax deducted at source. An amount of Rs. 56.60 lakhs is outstanding for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to Rs. 42,81,769 that have not been deposited on account of matters pending before the appropriate authorities are as under:

Sl. No.	Name of the statute	Forum where dispute is pending	Amount
1	Income tax act, 1961	Income tax AY 01-02	42,81,769

10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year

11. On the basis of examination of books of accounts carried out by us and according to information and explanations given to us, the company has not defaulted in repayment of dues to Banks during the year.

12. No loans or advances have been granted by the company against pledge of securities.

13. In our opinion the company is not a chit fund or a nidhi, mutual benefit fund / society. Therefore clause 4(xiii) of the companies [auditor's report] order 2003 is not applicable to the company.

14. Clause 4(xiv) of companies [auditor's report] order 2003 is

not applicable to the company as it is not dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanation given to us, the company has not given any corporate guarantee during the year.

16. During the year, the company has obtained a loan for the purpose of capital expenditure and the company has applied it for the same. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.

17. According to the information and explanations give to us by the management, the funds raised on short-term basis have not been used for long-term investment and vice - versa.

18. During the year the company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the companies act, 1956.

19. The company has not issued any debentures during the year and therefore the question of creation of securities does not arise.

20. During the year, the company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.

21. According to the information and explanations give to us, no fraud on/by the company was noticed/reported during the year that causes the financial statements to be materially misstated.

For CNGSN & ASSOCIATES
Chartered Accountants

(sd)

Place: Chennai
Dated: 18th June, 2004

C. N. Gangadaran
Partner

Financial Section

Balance Sheet

As at 31st March,	Schedule	2004	2003
SOURCES OF FUNDS			
I. Shareholders Funds			
Share Capital	A	106,477,330	98,550,630
Reserves & Surplus	B	101,937,531	65,058,030
II. Loan Funds			
Secured Loans	C	51,498,310	42,058,606
Unsecured Loans	D	1,900,000	1,930,700
		261,813,171	207,597,966
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	90,203,977	82,574,643
Less: Depreciation		30,044,331	20,895,755
Net Block		60,159,646	61,678,888
Non-Compete Rights		7,500,000	-
Less: Amortisation		6,004,110	-
Net Block		1,495,890	3,000,000
Brand Equity		7,500,000	-
Less: Amortisation		3,002,055	4,497,945
Net Block		-	-
Investments	F	6,000	6,000
Current Assets, Loans & Advances			
Cash Balance On Hand	G	724,551	2,402,618
Balances with Current Account with Schedule Banks		3,489,065	2,202,779
Sundry Debtors		87,032,944	61,092,599
Work in Progress		25,601,092	14,206,738
Teleserials Rights & Picture Productions		41,621,747	35,838,681
Loans & Advances		86,186,667	49,668,828
Prepaid Taxes (Net of Provisions)		5,717,206	4,085,209
		250,373,272	169,497,453
Less: Current Liabilities & Provisions			
Current Liabilities	H	54,719,582	37,439,389
Net Current Assets		195,653,690	132,058,063
Miscellaneous Expenditure (to the extent not written-off)	I	-	5,605,014
		261,813,171	207,597,966

As per our Report attached

For CNGSN & ASSOCIATES
Chartered Accountants

-Sd-
(C.N. Gangadaram) Partner -Sd-
Chairperson -Sd-
Managing Director -Sd-
Directors -Sd-
Company Secretary

Date : 18th June, 2004
Place : Chennai

Profit & Loss Account

For the year ended 31st March,	Schedule	2004	2003
INCOME			
Revenue from Teleserials / Telefilms	J	279,287,017	253,222,019
Revenue from Feature Film		28,883,000	-
Revenue from Ad. Telefilm		1,500,000	-
Other Income	K	325,531	72,654
Increase/Decrease in Work in Progress	L	11,394,354	3,028,534
		321,389,902	256,323,207
EXPENDITURE			
Expenses on Teleserials	M	224,720,828	197,238,952
Cost of Production - Feature Film		28,301,893	-
Expenses on Ad. Films		1,425,000	-
Employees Cost	N	3,882,430	3,689,186
Administrative Expenses	O	14,560,011	12,186,055
Selling & Marketing Expenses	P	3,575,645	2,103,595
		276,465,807	215,217,788
Profit Before Interest, Finance Charges, Bad Debts and Depreciation		44,924,094	41,105,419
Bad & Doubtful debts		4,877,500	3,256,000
Prior Period Expenses		426,409	223,572
Interest & Finance Charges	Q	7,667,315	11,025,561
Profit Before Depreciation		31,952,871	26,600,286
Depreciation	E	11,815,894	10,269,820
Profit after Depreciation before Tax		20,136,977	16,330,466
Preliminary Expenses Written off	I	15,648	2,608
Profit before Tax		20,121,329	16,327,858
Provision For Tax		-	-
-Current Tax (net of Deferred Tax Asset)		1,432,563	1,290,000
-Deferred Tax		-	4,517,791
Profit After Tax		18,688,766	10,520,067
Balance brought forward from last year		13,420,380	13,590,856
Amount utilised for issue of Fully Paid Bonus Shares		-	6,198,980
Balance transferred to Balance Sheet		32,109,146	13,420,380
Earnings per share		1.73	1.25
Significant Accounting Policies & Notes on Accounts:	R		

As per our Report attached

For CNGSN & ASSOCIATES
Chartered Accountants

-Sd-
(C.N. Gangadaram) Partner -Sd-
Chairperson -Sd-
Managing Director -Sd-
Directors -Sd-
Company Secretary

Date : 18th June, 2004
Place : Chennai

Schedules forming part of the Accounts

As at 31st March,	2004	2003
A] SHARE CAPITAL		
Authorised Capital		
11,150,000 Equity Shares of Rs.10/- each	111,500,000	111,500,000
Issued Capital		
10,845,808 Equity Shares of Rs.10/- each	108,458,080	108,458,080
Subscribed & Paid-up Capital		
10,834,008 Equity Shares of Rs. 10/- each	108,340,080	
Less: Calls in Arrears	1,862,750	
	106,477,330	98,550,630
Of the Above:		
1. 3,72,550 equity shares allotted as Partly Paid-up		
2. 5,873,890 Shares allotted for consideration other than cash as fully Paid-up		
3. 619,898 equity shares allotted as fully Paid-up		
Bonus Shares by way of Capitalisation of Profits.		
	106,477,330	98,550,630
B] RESERVES & SURPLUS		
Securities Premium - on Equity Shares	75,417,751	
Less: Share issue expenses written off	5,589,366	69,828,385
Profit & Loss Account		32,109,146
		101,937,531
C] SECURED LOANS		
Indian Overseas Bank Ltd		
Cash Credit Account	42,873,699	33,231,433
(All the above loans are secured by way of first charge on the movable properties of the company including Book Debts and Stock in trade and additionally secured by mortgage of immovable properties of directors & Pledge of Shares held by the directors in the company and also guaranteed by the managing director & two other directors of the Company)		
Others		4,740,788
(Secured by the Hypothecation of Receivables)		
Term Loan - Indian Overseas Bank	3,568,709	-
(Secured against first charge on assets acquired under this Term Loan)		
Hire Purchase Loans	5,055,901	4,086,385
(Secured by the Hypothecation of movable assets Covered under the respective Hypothecation Agreements)		
	51,498,310	42,058,606
D] UNSECURED LOANS		
From Others	1,900,000	1,930,700
	1,900,000	1,930,700

Schedules forming part of the Accounts

E] FIXED ASSETS SCHEDULE UNDER THE COMPANIES ACT, 1956

Particulars	Rate %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As on 01.04.03	Additions	Deletions	As on 31.03.04	As on 01.04.03	For the Period	Deletions	As on 31.03.04	As on 01.04.03	
Software Library	10.00	43,730,000	-	-	43,730,000	13,116,000	4,383,978	-	17,499,078	26,220,023	30,604,000
Leasehold Rights & Improvements		3,323,975	1,452,313	-	4,776,187	436,160	178,361	-	605,221	4,170,966	2,897,715
Furniture	6.33	700,268	402,066	-	1,102,334	310,638	45,744	-	356,182	745,952	389,630
Vehicles	9.50	6,130,944	3,295,287	1,304,450	8,121,891	981,504	681,713	411,152	862,064	7,259,827	5,539,440
Office Equipments	4.75	1,375,632	285,248	-	1,660,900	305,191	137,960	-	447,151	1,213,749	1,066,441
Studio Equipments	7.07	18,329,465	1,951,578	-	20,281,043	2,329,469	1,311,531	-	3,641,000	16,640,043	15,999,996
Airconditioner	4.75	-	92,642	-	92,642	-	3,462	-	3,462	89,180	-
Generator	4.75	9,415	-	-	9,415	1,342	448	-	1,391	7,624	8,072
Stabilizer & UPS	4.75	742,916	73,330	-	816,246	117,166	36,548	-	153,714	662,532	625,750
Computer	25.00	7,680,060	800,738	-	8,480,798	3,694,184	2,047,278	-	5,741,462	2,738,136	3,985,076
Capital Work-in-Progress		561,968	580,551	-	1,142,521	-	-	-	-	1,142,521	561,968
Grand Total		82,574,643	8,933,785	1,304,450	90,203,977	20,895,755	8,827,623	411,152	29,312,225	60,891,752	61,678,888

As at 31st March,	2004	2003
F] INVESTMENTS		
Non Trade Quoted 600 Equity Shares of Rs.10/- in Andhra Bank Limited at cost	6,000	6,000
	6,000	6,000

As at 31st March,	2004	2003
G] CURRENT ASSETS, LOANS & ADVANCES		
Cash On Hand	724,551	2,402,618
Balances in Current Account with Scheduled Banks	3,489,065	2,202,779
Sundry Debtors	87,032,944	73,122,073
Work in Progress	25,601,092	14,206,738
Teleserials Rights & Picture Productions	41,621,747	35,838,681
Loans & Advances	86,186,667	49,668,828
Prepaid Taxes (Net of Provisions)	5,717,206	4,085,209
	250,373,272	181,526,926

As at 31st March,	2004	2003
H] CURRENT LIABILITIES		
A. Current Liabilities		
Sundry Creditors for Trade & Expenses	39,607,343	23,208,636
Sundry Creditors - Others	5,766,057	4,867,656
Due to Directors	404,264	353,742
B. Provisions		
Deferred Tax Liability	8,941,917	9,009,354
	54,719,582	37,439,389

Schedules forming part of the Accounts

As at 31st March,	2004	2003
I MISC. EXPENDITURE & LOSSES		
(Preliminary Exp. to the extent not written off)	15,648	
Less: Written off	(15,648)	15,648
Share Issue Expenses	5,589,366	5,589,366
Less: Written off	5,589,366	
		5,605,014

For the year ended 31st March,	2004	2003
J TELESERIAL REVENUE		
Income from Teleserials / Telefilms / Event Shows	279,287,017	253,222,019
Income from Feature Film	28,883,000	-
Income thro' Ad. Film	1,500,000	-

K OTHER INCOME		
Miscellaneous Income	126,472	46,031
Interest Received	196,779	25,871
Dividend Received	2,280	752
	325,531	72,654

L INCREASE/DECREASE IN WIP		
Opening Work in Progress	14,206,738	11,178,204
Closing Work in Progress	25,601,092	14,206,738
	11,394,354	3,028,534

Schedules forming part of the Accounts

For the year ended 31st March,	31.03.2004	31.03.2003
M DIRECT EXPENSES		
A. Teleserial - Own Production		
Payments to Artists	27,512,574	29,733,924
Payments to Dubbing Artists	3,235,214	3,254,213
Payments to Productions Managers & Assts.	5,220,370	5,845,979
Telecast Charges	98,836,990	101,562,914
Equipment/Material Hire & Expenses	1,353,872	1,011,145
Payments to Technicians	27,003,141	14,080,124
Story & Dialogue Writers Payments	4,500,694	3,130,490
Production Expenses	5,941,299	9,552,028
Studio Rent & Hire Charges	1,508,990	1,282,340
Titling & Effect Charges	377,220	420,500
Wages & Batta	4,654,655	5,830,443
Costumes & Makeup	1,734,958	1,782,508
Lighting & Generator Hire Charges	4,797,035	5,231,219
Camera Hire & Maintenance Charges	1,440,707	1,611,399
Music Composing & Recording Exp.	1,910,918	2,075,146
Travelling & Conveyance	11,848,034	7,708,649
Vehicles Maintenance & Hire Charges	3,919,026	4,710,760
Cassettes & Negatives	3,997,719	3,737,820
Location & Auditorium Rent	5,474,584	6,146,435
Amortisation of Tele Serial rights	16,285,026	4,841,042
Total (A)	231,543,025	213,549,078
B. Teleserial - Contract Production		
Uyyale - Production Cost	1,872,000	5,520,000
Kanku Pagla - Production Cost	425,600	-
Sindhura - Production Cost	1,872,000	-
Hogli Bidi Saar - Production Cost	7,554,000	-
Total (B)	11,723,600	5,520,000
C. Cost of Teleserial Acquired		
Cost of Teleserial	1,230,060	1,057,842
Total (C)	1,230,060	1,057,842
Total (A+B+C)	244,496,685	220,126,920
Less: Amortisation of Teleserial Expenses (D)	19,775,857	22,887,968
Total (A+B+C-D)	224,720,828	197,238,952
N EMPLOYEES COST		
Salaries	3,059,709	3,179,932
Contribution to PF & ESI	410,664	304,311
Staff Welfare	412,057	204,943
	3,882,430	3,689,186

Schedules forming part of the Accounts

For the year ended 31st March,	2004	2003
O ADMINISTRATIVE EXPENSES		
Subscription, Books & Periodicals	30,960	16,685
Directors Remuneration	3,585,000	3,040,000
Donation	165,853	83,863
Hire Charges	276,270	288,545
Insurance Charges	819,308	424,736
Loss on exchange variation	961,918	151,594
Loss on Sale of Fixed Assets	213,298	369,658
Other Administrative Charges	14,728	420,575
Board Meeting Expenses	193,768	-
Pooja Expenses	75,693	31,766
Postage, Telephone charges	2,789,855	2,190,884
Printing & Stationery	1,040,807	408,505
Professional & Consultancy Charges	820,100	2,462,725
Remuneration to Auditors	491,000	200,000
Remuneration to Internal Auditors	243,000	-
Rebates & Discount	-	92,509
Rent, Rates & Taxes	926,092	955,048
Repairs & Maintenance	1,260,370	472,305
Service Charges	214,012	183,280
Vehicle Maintenance	437,980	393,377
	14,560,011	12,186,055
P SELLING & MARKETING EXPENSES		
Agency Commission	2,168,751	1,066,151
Business Promotion Charges	541,680	367,364
Tele Serial Marketing Expenses	94,210	620,000
Advertisement Expenses	771,004	50,080
	3,575,645	2,103,595
Q INTEREST & FINANCE CHARGES		
Interest & Finance Charges	7,376,211	10,277,959
Bank Charges	291,104	747,602
	7,667,315	11,025,561

Schedules forming part of the Accounts

R SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2004 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

I. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting and Preparation of Financial Statements:

The Financial Statements have been prepared on historical cost convention and in accordance with the normally accepted accounting principles.

b. Fixed Assets:

Fixed Assets are stated at cost less depreciation.

c. Depreciation / Amortization

- Depreciation on Fixed Assets, other than Computer, Software Library, Brand Equity and Goodwill are provided on Straight Line Method at the rates laid down in Schedule XIV of the Companies Act, 1956. In respect of Computers, Depreciation is provided on Straight Line Method at 25%.
- Software Library, Non-Compete Rights and Brand Equity are depreciated over a period of their effective life as determined by the management not exceeding ten years from the date of acquisition.
- Improvements effected on premises taken on lease are amortized over period of lease.
- Cost of Tele-Serials / Tele-Films not having any repeat telecast value and other future exploitation benefits are written off in full in the year of telecast.
- Cost of Tele-Serials / Tele-Films having repeat telecast value and other future exploitation benefits and in respect of which the company holds right of exploitation – 80% of the cost is written off in the year of telecast and balance 20% is written off equally over the next two years.

d. Inventories

Stock of empty cassettes and work-in-progress are valued at cost.

e. Revenue Recognition

- Income from Tele-Serials / Tele-Films is recognized on accrual basis as per the terms of the Agreement entered into for telecasting / exploitation.
- In case of Domestic Sales, Revenue is recognized on the telecast of the concerned Tele-serial.
- In case of Overseas Sales, Revenue is recognized at the point, when the tapes are delivered.

f. Foreign Currency Transactions

Transactions pertaining to income and expenditure are accounted at the rate prevailing on the date of transaction.

Outstanding balances of Current Assets and Current Liabilities relating to Foreign Currency transactions are restated in rupees by adopting the rate of exchange prevailing on the date of Balance Sheet and the resultant exchange gains / loss is recognized / written off in the Profit & Loss Account.

g. Retirement Benefits

Employee Retirement Benefits will be accounted for in the year in which such liabilities accrue.

h. Earnings per Share

The Company reports Basic and Diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The Basic / Diluted EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity share (including Bonus Shares) during the accounting period.

i. Accounting for Taxes on Income

Current tax is determined on the basis of the amount of tax payable on taxable income for the year. In accordance with the

R SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

Accounting Standard-22 issued by the Institute of Chartered Accountants of India, Deferred Tax is calculated at current statutory income tax rates and is recognized on timing differences between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

II. NOTES ON ACCOUNTS

1. The Company has entered into leasehold agreements with Directors for acquiring leasehold rights for a period of 20 years in respect of properties at 3 B 4, Paul Appasamy Street, Chennai 600 017.

The consideration for lease deposit was Rs. 1.40 Crores out of which a sum of Rs. 75 Lakhs was discharged by way of allotment of 7,50,000 equity shares of Rs. 10/- each as fully paid and balance by way of cash. The registration formalities in respect of lease agreements are yet to be completed.

2. The cost of Episodes of Tele-Series / Tele-Films / Feature Films completed and pending telecast as on the date of Balance Sheet has been considered as work-in-progress and the same has been valued at cost.
3. Cost of Goodwill of Rs. 75,00,000/- represents consideration paid to Smt. R.Radikaa - Chairperson, in lieu of the contract of exclusivity in respect of telefilms / teleserials with the company, for which the company has allotted 7,50,000 shares as fully paid up.
4. There are no outstanding dues to small-scale industries.
5. Particulars of Directors Remuneration

Sl. No	Name	Designation	2003-04	2002-03
1	M.R. Mohan Ratha	Managing Director	18,00,000/-	13,20,000/-
2	B.S. Radhakrishnan	Wholtime Director	12,00,000/-	12,00,000/-
3	D. Ravichander Babu	Director - Finance	5,85,000/-	5,20,000/-

Managerial Remuneration

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956.

Particulars	[Rs. In Lacs]	
	2003-04	2002-03
Profit before Taxation	201.21	163.28
Add: Depreciation as per Companies Act	110.84	102.70
Loss on Sale of Fixed Assets	2.13	3.70
Managerial Remuneration	35.85	30.40
Less: Depreciation as per section 350 of Companies Act, 1956	103.68	123.61
Net Profit for the year	246.35	176.47

- The overall Managerial Remuneration is Rs. 35,85,000/-, which is within maximum ceiling limit laid down in Schedule XIII of the Companies Act, 1956.

6. Segment Reporting

The Company operates in two Business Segments

- Production of Tele-serial and
- Production of Feature Films

Particulars	[Rs. In Lacs]	
	Year Ended 2003-04	Year Ended 2002-03
1 Segment Revenue		
a) Tele Serials	2,925.07	2,532.95
b) Feature Films	288.83	-
Total	3,213.90	2,532.95
Less: Inter segment revenue	-	-
Net Sales/ Income from Operations	3,213.90	2,532.95

R SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

Particulars	[Rs. In Lacs]	
	Year Ended 2003-04	Year Ended 2002-03
2 Segment Results		
Profit/(Loss) (Before tax from each segment)		
a) Tele Serials	197.84	163.28
b) Feature Films	3.37	-
Total Profit before Tax	201.21	163.28
3 Capital Employed (Segment Assets - Segment Liabilities)		
a) Teleserials	2,084.15	1,580.04
b) Feature Films	6.58	-
c) un-allocable Assets-Liabilities	-	-
Total	2,090.73	1,580.04

7. Related Parties Disclosure

As per the Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are listed below

a. Parties where control exists

Ms. R. Radikaa Chairperson Holder of more than 50% of paid-up Capital

b. Other related parties / key management personnel with whom transactions have taken place during the year.

Sl. No	Name of the Person	Nature of Relationship
1	M.R. Mohan Ratha	Managing Director
2	Geetha Ratha	Director
3	Raju Radha	Director
4	B.S. Radhakrishnan	Whole time Director
5	D. Ravichander Babu	Director - Finance
6	R. Sarath Kumar	Husband of Chairperson

8. Earnings per Equity Share

Sl. No	Particulars	2003-04	2002-03
1	Profit of the year (Rs.)	1,86,88,765	1,05,20,067
2	Weighted Average No. of equity shares (including bonus) for		
	Basic/Diluted Earnings per share	1,08,34,008	84,22,323
3	Earnings per share	1.73	1.25

9. The Net Deferred Tax Liability comprise of the following

Sl. No	Particulars	31.03.2004
1	Depreciation on Fixed Assets (DTA)	13,50,310
2	Amortization of Tele-Serial Cost (DTL)	12,82,880
3	Sub - Total (1+2)	67,437
4	Less: Deferred Tax Liability as on 01.04.2003	90,09,354
5	Net Deferred Tax Liability	89,41,917

Sl. No	Particulars	31.03.2004
1	Depreciation on Fixed Assets	1,17,185
2	Amortization of Tele-Serial Cost	1,00,88,749
3	Sub - Total (1+2)	1,02,05,934
4	Less: DTA on Provision for Doubtful Debts	11,96,580
5	Net Deferred Tax Liability	90,09,354

R SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)**10. Contingent Liabilities not provided for**

Sl. No.	Particulars	31.03.2004	31.03.2003
1	Estimated amount of contracts remaining to be executed on Capital Accounts	11,00,000	5,00,000
2	a. Claims against the company not acknowledged as debts	42,81,769	2,47,971

11. Auditor's Remuneration: (including Service Tax)

Sl. No.	Particulars	31.03.2004	31.03.2003
1	Audit Fee	4,75,000	1,50,000
2	Tax Audit	16,000	25,000
3	Certification matters	-	25,000

12. Licensed and Installed capacity - Not Applicable
13. Earnings in Foreign Currency - US \$ 533,012 Equivalent to Rs. 2,37,91,458 US \$ 212,577 Equivalent to Rs. 1,02,98,915
14. Expenditure in Foreign Currency - US \$ 28,940 Equivalent to Rs. 13,62,120 US \$ 9,300 Equivalent to Rs. 4,65,339
15. The Confirmation of Balances of Debtors & Creditors is yet to be received.
16. Figures of Previous year have been re-grouped and re-classified, wherever necessary to conform to those of the current year.
17. Figures have been rounded off to the nearest rupee.

As per our Report attached

For CNGSN & ASSOCIATES
Chartered Accountants

-Sd-
(C.N. Gangadaran)
Partner

-Sd-
Chairperson

-Sd-
Managing Director

-Sd-
Directors

-Sd-
Company Secretary

Date : 18th June, 2004

Place : Chennai

Cash Flow Statement

Pursuant to Clause 32 of the Listing Agreement

(Amount in Rupees)

For the year ended 31st March	2003-2004	2002-2003
A. Cash Flow from Operating Activities		
Profit before Tax	20,121,329	16,327,858
Add: Finance Charges	7,667,315	11,025,561
Depreciation	11,815,894	10,269,820
Loss on Sale of Fixed Assets	213,298	369,658
Preliminary Exps Written Off	15,648	2,608
	39,833,483	37,995,505
Less: Interest Received	196,779	25,871
Dividend Received	2,280	752
	39,634,424	37,968,882
Operating Profit before Working Capital Changes		
(Increase) / Decrease in Work In Progress	(11,394,354)	(3,028,534)
(Increase) / Decrease in Sundry Debtors	(28,321,043)	(26,414,193)
(Increase) / Decrease in Loans & Advances	(43,040,103)	(53,124,444)
Increase / (Decrease) in Current Liabilities	10,477,355	(13,662,680)
	(72,278,145)	(96,229,851)
Cash Generated from Operating Activities (A)	(32,643,721)	(58,260,969)
B. Cash Flow from Investing Activities		
Cash Outflow		
Purchase of Fixed Assets	8,933,785	5,223,947
Cash Inflow		
Sales of Fixed Assets	680,000	1,465,000
Interest Received	196,779	25,871
Dividend Received	2,280	752
Net Cash from Investing Activities (B)	(8,054,726)	(3,732,324)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Share Capital	31,706,800	68,850,200
Increase / (Decrease) in Bank Borrowings	9,642,266	9,573,183
Increase / (Decrease) in Other Secured Loans	6,655,614	4,826,470
Increase / (Decrease) in Unsecured Loans	(30,700)	(6,817,255)
Finance Charges	(7,667,315)	(11,025,561)
Issue Expenses	-	(5,589,366)
Net Cash from Financing Activities (C)	40,306,666	59,817,671
Net Increase in Cash & Cash Equivalents (A+B+C)	(391,781)	(2,175,622)
Cash & Cash Equivalents at the beginning of the year	4,605,397	6,781,019
Cash & Cash Equivalents at the end of the year	4,213,616	4,605,397
Net Increase / (Decrease) in Cash & Cash equivalents	(391,781)	(2,175,622)

Note:

1 The above cash flow statement has been prepared under the indirect method as set out the Accounting Standard 3 issued by the Institute of Chartered Accountants of India on Cash Flow Statements

As per our Report attached

For CNGSN & ASSOCIATES
Chartered Accountants

-Sd-
(C.N. Gangadaran)
Partner

-Sd-
Chairperson

-Sd-
Managing Director

-Sd-
Directors

-Sd-
Company Secretary

Date : 18.06.2004

Place : Chennai

Balance Sheet Abstract

and Company's Business Profile

I. Registration Details

Registration No. * * * 4 3 1 6 3
 Balance Sheet Date 3 1 0 3 2 0 0 4

State Code 0 1 8

II. Capital Raised during the year (Amount in Thousand of Rupees)

Public Issue

N I L

Bonus Issue

N I L

Right Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand of Rupees)

Total Liabilities

* 5 4 7 1 9 . 5 9

Sources of Funds

Paid-up Capital

1 0 6 4 7 7 . 3 3

Secured Loans

* 5 1 4 9 8 . 3 1

Application of Funds

Net Fixed Assets

* 6 0 1 5 9 . 6 5

Net Current Assets

1 9 5 6 5 3 . 6 9

Accumulated Losses

N I L

Total Assets

* 2 5 0 3 7 . 3 3

Reserves & Surplus

1 0 1 9 3 7 . 5 3

Unsecured Loans

* * 1 9 0 0 . 0 0

Investments

* * * * 6 . 0 0

Misc. Expenditure

N I L

IV. Performance of Company (Amount in Thousand of Rupees)

Turnover

3 0 9 9 9 5 . 5 5

Profit / (Loss) before Tax

* 2 0 1 2 1 . 3 3

Earning per share in Rs.

* * * * 1 . 7 3

Total Expenditure

3 0 1 2 6 8 . 5 7

Profit / (Loss) after Tax

* 1 8 6 8 8 . 7 7

Dividend

N I L

V. Generic Names of Principal Products of Company

Item Code No.

Not Applicable

Product Description

Media & Entertainment

RADAAN MEDIAWORKS (I) LIMITED

No.10, Paul Appasamy St, T.Nagar, Chennai-600 017 • Ph :+91-44-28225935/28225972/28241575 • Fax: +91-44-28225934

Website: www.radaan.tv • Email: info@radaan.tv

ATTENDANCE SLIP

No. of Shares held

Folio No.

Client ID No.

DP ID No.

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Fifth ANNUAL GENERAL MEETING of the Company at Guindy Lodge, Madras Race Club, Guindy, Chennai on TUESDAY the 21st September, 2004 at 12.15 p.m.

Member's/Proxy's name in BLOCK LETTERS

Member's/Proxy's Signature

Note: 1. Please fill this attendance slip and hand it over at the Entrance of the Auditorium.

2. Shareholders are requested to bring their copy of the Annual Report as copies of the report will not be distributed again at the Meeting.

RADAAN MEDIAWORKS (I) LIMITED

No.10, Paul Appasamy St, T.Nagar, Chennai-600 017 • Ph :+91-44-28225935/28225972/28241575 • Fax: +91-44-28225934

Website: www.radaan.tv • Email: info@radaan.tv

PROXY

I/We.....

of.....

being a member(s) of the above-named Company hereby appoint.....

of.....or falling him of..... as

my/our proxy to attend and vote for me/us and my/our behalf at the Fifth ANNUAL GENERAL MEETING of the Company to be held on TUESDAY, the 21st September, 2004 at 12.15 p.m. and at any adjournment thereof.

As witness my/our hand(s) this day of 2004.

Signature by the said

Affix a
Rs. 1
Revenue
Stamp

Folio No.

Client ID No.

DP ID No.

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.