

8TH Annual Report 2006-2007



RADAAN
MEDIWORKS (I) LIMITED

Corporate Information

BOARD OF DIRECTORS

R. RADHAKA
*Chairperson &
 Managing Director*

P.K. RAGHU KUMAR
Director

HARSH DALMLIA
Director

R. SARATHKUMAR
Director - Production

R. SANTHANAM
Director - Finance

M.K. SINHA
Director

S. PRIYADARSHAN
Director

P.M. VENKATASUBRAMANIAN
Director

M. KAVIRIMANI
Chief Financial Officer

P. KRISHNASAMY
Company Secretary

REGISTERED OFFICE :
 No. 10, Paul Appasamy St.,
 T. Nagar, Chennai - 600 017
 Ph : + 91 44-28345032 / 28345033 /
 28345037 / 28345038 / 28345040
 Fax : + 91 44-28345031
 Website : www.radaan.tv
 email : info@radaan.tv

AUDITORS :
 CNGSN & ASSOCIATES
 Chartered Accountants
 "Agastyan Manor"
 New No. 20, Old No. 13,
 Raja Street,
 T. Nagar, Chennai - 600 017

LEGAL ADVISOR :
 P.H. ARVINDH PANDIAN
 Advocate
 New No. 115, First Floor,
 Luz Church Road,
 Mylapore, Chennai - 600 004

BANKERS :
 INDIAN OVERSEAS BANK
 Saidapet, Chennai - 600 015

**REGISTRARS &
 SHARE TRANSFER AGENT :**
 Cameo Corporate Services Limited
 Subramanian Building 7th Floor
 No. 1, Club House Road,
 Chennai 600 002
 Ph : 044-28460390 (5 lines)
 Fax : 044-28460129 Grams : 'CAMEO'
 E-Mail : cameosys@sstyam.net.in

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Eighth Annual General Meeting of the members of Radaan Mediaworks (I) Limited, will be held at Guindy Lodge, Madras Race Club, Guindy, Chennai on Monday, the 24th September 2007 at 12.15 P.M. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007, Profit & Loss account for the year ended 31st March 2007 together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr.R.Sarathkumar who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr.S.Priyadarshan, who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr.P.M.Venkatasubramanian who retires by rotation and being eligible offers himself for reappointment.
- To re-appoint M/s. CNGSN & Associates, Chartered Accountants as Auditors of the company who shall hold office from the conclusion of this Annual General Meeting of the company till the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed in this behalf by the Board of Directors of the company.

SPECIAL BUSINESS:

- To consider and if thought fit to pass with or without modification (s) the following Resolution as Ordinary resolution:
RESOLVED THAT pursuant to sec. 198,269,309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities if any as may be required and subject to such alterations and modifications if any that may be effected by the above authorities in that behalf and which the Board of Directors is hereby authorized to accept, consent of the Company be and is hereby accorded for the appointment of Mr.R.Sarathkumar as Director - Production for a period of 3 years with effect from 01.04.2007 and for the payment of remuneration on the terms and conditions as set out in the resolution and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors and Mr.R.Sarathkumar

REMUNERATION:

Salary including other allowances and perquisites: Rs.1,00,000/-P.M.

FURTHER RESOLVED THAT where in any financial year during the currency of the term of office, the company has no profits or its profits are inadequate it may pay Mr.R.Sarathkumar remuneration by way of Salary and perquisites as specified above subject to the limits laid down in Section 2 part II of Schedule XIII of the Companies Act 1956 as in force from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to take all such actions and give all such directions or do all such deeds matters and things as may be necessary in this regard and further to execute all such deeds documents, and writings as may be necessary in this regard.

- To consider and if thought fit to pass with or without modification (s) the following Resolution as Ordinary resolution:
"RESOLVED THAT Mr.R.Santhanam be and is hereby appointed as a Director of the company, liable to retire by rotation."

- To consider and if thought fit to pass with or without modification (s) the following Resolution as Ordinary resolution:

RESOLVED THAT pursuant to sec. 198,269,309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities if any as may be required and subject to such alterations and modifications if any that may be effected by the above authorities in that behalf and which the Board of Directors is hereby authorized to accept, consent of the Company be and is hereby accorded for the appointment of Mr.R.Santhanam as Director - Finance for a period of 3 years with effect from 01.04.2007 and for the payment of remuneration on the terms and conditions as set out in the resolution and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors and Mr.R.Santhanam.

REMUNERATION:

Salary including other allowances and perquisites: Rs.1,50,000/-P.M.

FURTHER RESOLVED THAT where in any financial year during the currency of the term of office, the company has no profits or its profits are inadequate it may pay Mr.R.Santhanam remuneration by way of Salary and perquisites as specified above subject to the limits laid down in Section 2 part II of Schedule XIII of the Companies Act 1956 as in force from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to take all such actions and give all such directions or do all such deeds matters and things as may be necessary in this regard and further to execute all such deeds documents, and writings as may be necessary in this regard.

Date: 30.07.2007

Place: Chennai

Registered office:
10, Paul Appasamy Street
T. Nagar
Chennai-600 017

By order of the Board

R. Radhika
Chairperson &
Managing Director

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 and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of that power of authority 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 explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business as set out in the notice is annexed hereto.
3. The Register of Members and the Share Transfer books of the company will remain closed from 17th September 2007 to 24th September 2007, (both days inclusive).
4. Members holding shares in physical form in their own interest are requested to dematerialize the shares to avail the benefits of electronic holding/trading.
5. 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.
6. Members/Proxies are requested to fill the Attendance slip sent with the Annual Report for attending the Meeting.
7. Members who hold shares in dematerialized 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.
8. The company's equity shares are listed in Madras and National Stock Exchanges.
9. In the case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
10. As a measure of economy copies of the Annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of Annual Report to the Meeting.
11. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing such representatives to attend and vote at the Annual General Meeting.
12. In compliance of SEBI directions to all listed companies to maintain all works relating to share registry- both physical and electronic at single point i.e. 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 segment 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: 044-28460309 Fax: 044- 28460129
E-mail: cameoogs@satyam.net.in
13. Pursuant to the provisions of Section 106A 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.
14. All documents referred to it 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.
15. Appointment /Reappointment of Directors:
At the ensuing Annual General Meeting, Mr.R.Sarathkumar, Mr.S.Priyadarshan and Mr.P.M.Venkatasubramanian 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.

ANNEXURE TO NOTICE:

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

The following explanatory statement sets out all the material facts relating to the Special business mentioned in the accompanying notice dated 30th July 2007 and shall be taken as forming part of the Notice.

Item No.6:

The Board of Directors of the company at its Meeting held on 25th April 2007 has subject to the approval of the members appointed Mr.R.Sarathkumar, as Director - Production of the company for a period of 3 years with effect from 01-04-2007 on the remuneration as recommended by the Remuneration Committee at its meeting held on 25-04-2007. The broad particulars of remuneration payable to and the terms of the appointment of Mr.R.Sarathkumar are as follows:

Duration:

3 years (1st April 2007 to 31st March 2010.)

Remuneration:

Salary including allowances and perquisites Rs. 1,00,000 PM

Other Terms:

Mr. R. Sarathkumar shall subject to the superintendence, control and Direction of the Board of Directors manage and conduct the business and affairs of the company. He shall not be paid any sitting fees for attending meetings of Board or committee thereof.

The office of the Director may be terminated by the company or the concerned Director by giving the other 3 months' prior notice in writing.

The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Board as it may from time to time deem fit.

The above may also be treated as an abstract of the terms of appointment of Under section 302 of the Act.

None of the Directors of the company is in anyway concerned or interested in the above Resolution except Mr.R.Sarathkumar and Mrs. R.Radikaa, being related to Mr.R.Sarathkumar.

A brief resume of Mr.R.Sarathkumar and the information or details pertaining to him to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the Report on Corporate Governance forming part of the Annual Report.

The Directors recommend the Resolution to be adopted as an ordinary Resolution by the shareholders.

Item No.7:

The Board of Directors of the Company at its Meeting held on 25th January 2007 has appointed Mr.R.Santhanam as an Additional Director of the company with effect from 25th January 2007. In terms of section 260 of the Companies Act 1956 he will hold office only upto the date of this Annual General Meeting.

Notice has been received from a member of the company under Section 257 of the Companies Act, 1956, alongwith a deposit of Rs.500/- signifying his intention to propose the candidature of Mr.R.Santhanam for the office of Director and to move the resolution as set out in item No.7 of this notice.

Save and except Mr R.Santhanam none of the other Directors of the company is in any way concerned or interested in the Resolution set out in Item No.7 of this Notice.

A brief resume of Mr R.Santhanam and the information or details pertaining to him to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the Report on Corporate Governance forming part of the Annual Report.

The Directors recommend the Resolution to be adopted as an ordinary resolution by the shareholders.

Annexure to Notice (Contd.)
Item No.8:

The Board of Directors of the company at its Meeting held on 25th April 2007 has subject to the approval of the members appointed Mr.R. Santhanam, as Director - Finance of the company for a period of 3 years with effect from 01-04-2007 on the remuneration as recommended by the Remuneration Committee at its meeting held on 25-04-2007. The broad particulars of remuneration payable to and the terms of the appointment of Mr.R.Santhanam are as follows:

Duration:

3 years (1st April 2007 to 31st March 2010.)

Remuneration:

Salary including allowances and perquisites Rs.1,50,000 P.M

Other Terms:

Mr. R.Santhanam shall subject to the superintendence, control and Direction of the Board of Directors manage and conduct the business and affairs of the company. He shall not be paid any sitting fees for attending meetings of Board or committee thereof.

The office of the Director may be terminated by the company or the concerned Director by giving the other 3 months' prior notice in writing.

The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Board as it may from time to time deem fit.

The above may also be treated as an abstract of the terms of appointment of Under section 302 of the Act.

None of the Directors of the company is in anyway concerned or interested in the above Resolution except Mr. R. Santhanam.

A brief resume of Mr. R. Santhanam and the information or details pertaining to him to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the Report on Corporate Governance forming part of the Annual Report.

The Directors recommend the Resolution to be adopted as an ordinary Resolution by the shareholders.

Date: 30.07.2007

Place: Chennai

Registered office:

10, Paul Appasamy Street
 T. Nagar
 Chennai-600 017

By order of the Board

R. Radikaa

Chairperson &
 Managing Director

DIRECTORS' REPORT

Dear shareholders,

Your Directors have pleasure in presenting the Eighth Annual report together with the Audited accounts of the company for the year ended 31-03-2007.

Financial Performance:

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

(Rs. in Lakhs)

Particulars	2006-2007	2005-2006
Turnover	4536.63	3014.54
Profit before Interest, finance charges and Depreciation & unrecoverable Bad debts	470.00	427.98
Interest and finance charges	85.79	59.18
Profit before depreciation	384.21	368.80
Depreciation	130.56	131.31
Profit before Tax	253.65	237.49
Provision for income tax		
Current Tax	34.00	25.00
Deferred Tax	52.39	22.53
Fringe Benefit Tax	3.79	4.01
Profit after Tax	163.47	185.95

Dividend:

Your company wants to conserve the resources and utilize the profits for the increased funds requirements in view of viable projects on hand and accordingly after deliberations it is proposed not to recommend any dividend for the year ended 31-03-2007.

Review of Performance:

Your Company has recorded a Marginal revenue growth during the financial year 2006-2007 of about 7% compared to the previous year. Thus the Profit before tax of about Rs.2.53 crores as against Rs.2.37 crores last year and after making tax provision of Rs.90 Lakhs as against Rs.52 Lakhs of the previous year, the Profit after tax is slightly lower at Rs.1.63 crores compared with the previous year figure of Rs.1.86 crores, this was due to writing off of unrecoverable and doubtful debts to the tune of Rs.1 crore.

The Company has been able to maintain Revenue and could not achieve significant profits by its continued pursuit of cost control in the operation without compromises on quality and monitoring of the production expenses. "Thalaimagan" Tamil film released this year yielded only marginal profit. The Tamil TV Serial "Chebhi" was a Super Hit and the new serial "Arase" started during the year.

During the year, the company wound up Game Shows shown in the TV Channels and it has taken up own marketing for 3 TV Serials viz, Koodelvide in Malayalam, Mega Bangaram Mee Kosum and Lakshmi in Telugu. The production for tamil film "Kannamoochi Enada" commenced during the year, is expected to be released during September 2007.

Outlook for the year 2007-08:

Your Company is very optimistic as regard the out look for the year 2007-08 in terms of profitability and revenues which will continue to grow along with the industry standards. The Company already had a tie-up with the UTV and planned to produce "7G Rainbow Colony" in Hindi to be directed by Mr. Selvaragavan and the Company has the greater vision to produce 4 to 5 feature films in Tamil out of which, famous Directors Mr.K.S.Hanikumar and Mr.Gautham Menon will be directing 1 film each. After release of "Kannamoochi Enada" during the month of September 2007, another feature film will hit the Silver Screen during the month of March, 2008.

Major thrust will be in the area of revenue acceleration and through Production of TV Serials in various languages and feature films in Tamil, after due diligence and careful assessment of risks involved.

Directors' Report (Contd.)

Directors:

Mr. Raju Radha resigned as Director with effect from 31-10-2006 and the Board places on record the valuable services rendered by him during his tenure.

Mr.R. Santhanam has joined our company as Additional Director on 25-01-2007. He will hold office till the ensuing Annual General Meeting. The company has received notices from members proposing the appointment of Mr.R. Santhanam as Director of the company. Mr.R.Santhanam was appointed as Director - Finance w.e.f 01.04.2007 at the Board Meeting held on 25.04.2007 and the necessary resolution is being brought for your approval in the ensuing AGM in this regard.

Mr.R. Sarathkumar, Director was appointed as Director - Production at the Board Meeting held on 25.04.2007 and the necessary resolution is being brought for your approval in the ensuing AGM in this regard.

Mr.R. Sarathkumar, Mr. P.M. Venkatasubramanian and Mr. S. Priyadarshan retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

A brief resume of the above Directors, nature of their expertise in specific functional areas and the names of companies in which they hold the Directorships and the 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.

Compliance of Section 217 of the Companies Act 1956:

The provisions of Section 217(1) (e) of the companies Act 1956 read together with 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 being in the Media and Entertainment industry. However in Studios, Post production facilities etc adequate measures are being taken to conserve energy, absorb and adapt to the latest Technology 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 \$ 237,114 (equivalent to Rs.1,08,00,515)
Foreign Outgo Earnings	: US \$ 5667 (equivalent to Rs. 2,55,900)
	: Singapore \$ 4164 (equivalent to Rs. 1,23,142)

Corporate Governance:

Pursuant to clause 49 of the Listing agreement with the Stock exchanges, the following have been made as a part of the Annual Report and are attached to this report.

- Management discussion and analysis
- Corporate Governance Report
- Certificate from the Auditors regarding compliance of conditions of Corporate Governance.

Auditors :

M/s CNGSN & Associates, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. The Board recommends the reappointment of M/s CNGSN & Associates as Statutory Auditors.

Directors' Report (Contd.)

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 2007, all the applicable accounting standards have been followed.

Accounting policies were adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2007

Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

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

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, Doordarshan, UTV Software Communications Ltd, Century communications Ltd, Vision Time, Dheepam TV, Radaan Talent Factory (P) Ltd, The Maharaja Organisation Ltd., Other Overseas Associates and channels, Actors, Actresses, Technicians, employees, Sponsors and the millions of viewers.

Chennai
 30-07-2007

For RADAAN MEDIAWORKS (I) LIMITED
 (Sd/-)
 Chairperson and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and Developments:

The Entertainment industry is one of the fastest growing sectors in the Country at an 18% compound annual growth over the past decade. The Media and entertainment industry offers secular growth from revenue opportunities in several areas such as advertising, subscription, TV Content Providers, movies and music. Spending on entertainment is one of the largest components of discretionary household expenditure in most developed markets.

The Entertainment industry has always been successful in drawing masses from the days of Roman Gladiators to Shakespeare to present day movies. Given the inevitable convergence between entertainment and telecommunication, the potential of the industry is unlimited. From the capital market to the corridors of power there is a buzz about entertainment. Entertainment has perhaps come to be regarded as the fourth basic need of mankind after food, clothing and shelter.

From having one public service broadcaster to over 500 channels available today, the Indian television industry has come a long way and is poised for even higher growth. An urban cable home in the four metros currently receives approximately 90 TV Channels in the analogue mode. Fifty of these channels are free-to air and the balances are pay channels which are bundled together into bouquets. The television industry broadly has three streams of revenue- subscription, advertising and software contract.

India is the third largest television market in the world today. There are over 119 million television households which comprise only about 60 percent of the total households in the country. Of these 119 million television households about 50 million receive cable television services leading to a penetration of only about 42 percent cable TV households to total TV households and 25 percent cable TV household to total households in India. As can be seen from these low penetration percentages there exists a huge untapped potential for growth in this industry.

India with more than 30 languages and 8000 television production houses, more than 500 daily and 200 weekly television programmes offers tremendous scope for the industry to thrive and prosper. However in spite of such phenomenal figures, Indian television Programmes have been notching a success ratio by way of audience attention of only around 5-10 percent based on average TRP Ratings and a majority of such successful programmes are produced by a handful of television production houses in India. Radaan is one such production house.

COMPANY OVERVIEW

Your company continues to be one of the most successful Media entertainment companies in India.

It is the most preferred television content provider on all the leading channels across all regional languages in South India.

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

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

Marketing:

Radaan Mediaworks' content is primarily sponsored marketed to advertisers through alliances with UTV software communications Ltd and Vision Time and these agencies have helped attract the crème de la crème of Indian advertisers enhancing in turn the company's brand equity.

Infrastructure:

Your company's sprawling studio facilities comprise 13 postproduction suites to service its projects. These suites comprise seven edit suites including one film edit, five voice studios including one RR & FX and one

Management Discussion and Analysis: (Contd.)

exclusively for Ad posting and Final Mastering. Its hardware and software have been sourced from reputed 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 sophisticated Broadband network.

Operations:

Your company's turnover during the year was Rs.45.37 crores as against 30.15 crores in the previous year. Tele-serials and feature films are taken as separate segments and while Teleserials have resulted in a profit of Rs. 248.40 lakhs the Feature film resulted in a profit of Rs.5.23 lakhs as against Rs.230.90 lakhs and Rs.6.50 lakhs respectively in the previous year.

Financials at a Glance:

The paid up equity share capital of the company as on 31-03-2007 was Rs. 10.83 crores comprising of 5,41,61,540 shares of Rs.2 each.

During the year under review, Reserves & surplus amounted to Rs. 15.90 crores as against Rs.14.27 crores in the previous year.

While Profit before tax increases from Rs.2.37 Crores last year to Rs.2.54 Crores this year. But Profit after tax decreased from Rs.1.86 Crores last year to Rs.1.63 Crores this year. This was due to writing off of Bad debts to the tune of Rs.1 Crore and the increase of Tax Liability from Rs.52 Lakhs last year to Rs.90 lakhs this year.

STRENGTHS:

Good Creative Team

The Company has in its fold a high profile creative team headed by Mrs.R.Radikaa, the Chairperson who has an impressive background of more than 25 years relevant industrial experience. The Company has created a second level team to assist her for all the Projects that the company plans for the immediate and future requirements.

Good HR

The company is manned by seasoned Professionals highly skilled technicians across all areas of operations - (Preproduction), production Management and postproduction. All these HR are well trained and experienced in their respective departments.

Professionally Managed

Your company being in Media industry is the pioneer in looking at corporatisation of the operations and implementing MIS into this industry.

Successful Track Record

The company has a successful track record and has proved time and again its capability in different genre' of Programs as is evident from higher TRP for its programmes.

Brand Equity:

Radaan is one of the premier content providers in the country and has well-established brand equity in the current market and has carved a niche for itself in the present industry.

Fully integrated operations:

Radaan has fully integrated operations and has the wherewithal to address any kind of a problem and also provides holistic solutions to the Media Industry.

Management Discussion and Analysis: (Contd.)
WEAKNESS

1) Currently addressing mainly regional programs 2) No fixed formula to achieve ratings as audience views keep changing. 3) Government policies relating to broadcast license especially to regulate Cable TV /Pay TV 4) Lack of a governing body for censorship.

OPPORTUNITIES:
ABUNDANT AND INCREASING BUSINESS

This Sector commands a business about Rs.5000 crores, and is bound to grow at an average rate of 15-20% per annum. These channels are growing at a fast pace and getting increased rapidly year after year.

INCREASING VIEWERSHIP AND EMERGENCE OF NEW CHANNELS

The spread of Cable & Satellite (C&S) homes has been at a very fast pace. Presently there are about 119 million TV homes. Of this, 42% are C & S homes in the country and this is expected to grow at a very fast pace every year.

MARKETS EXIST BOTH IN INDIA AND ABROAD:

There is huge market for a Producer to address both in India as well as abroad. In addition to this a Producer has abundant scope to sell the international rights in Indian languages to Indians living abroad. The experience of Indian Producers in countries like Malaysia, Singapore, Thailand, Indonesia, Middle East, South Africa, UK, Europe, Canada and the USA has been very encouraging and the business prospects and potential promise to be lucrative.

THREATS

- Non-availability of adequate skilled Technicians.
- No entry barriers for new entrants, thereby competition can be stiff.
- Highly capital intensive.
- Retention of talent.
- Changing tastes of the viewers / audience.
- Piracy problems.
- Change in Government policies including Service Tax made applicable for Independent TV Producers.

RISKS AND CONCERNS:

The company's programs are mainly running on Sun Network and hence the dependency on one network can affect future business 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 programs in the national channels.

The company is currently addressing mainly regional programs and yet to enter the national market.

Your company is planning towards derisking and has entered into an agreement with Doordarshan for telecast of one of its teleserials and is also chalking out plans to enter national as well as international markets and already has started Sinhalese content production meant 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. The sponsored model permits Radaan to retain the already expensed content rights for subsequent marketing to the vast Indian Diasporas in the high margin Asian markets translating into attractive export income.

Over the years, the company progressively plans to derisk the business through the production of Marathi, Gujarati and Sinhalese content either through the commissioned business, commissioned plus minimum guarantee or profit sharing models. Gradually the company has evolved to a hybrid revenue model (commission and profit sharing) for the international market, sharing the IPRs and maximizing revenues.

Management Discussion and Analysis: (Contd.)
Internal Controls and Their Adequacy

The Company has customized accounting packages, which has built in security, which prohibits deletions, and overwriting once accounting entry is passed. The company has introduced checks at various levels to check and control expenses. The company has appointed a Chartered Accountant firm as Internal Auditors. The internal Auditors periodically review the transactions and also review the efficiency of existing controls.

Financial Performance of last four years at a glance

(Rs. in lakhs)

Particulars	2006-07	2005-06	2004-05	2003-04
Turnover	4536.63	3014.54	3122.19	3066.70
Profit Before Interest, Finance Charges and Depreciation and after provision for Bad Debts	470.00	427.98	438.32	396.20
Interest and Finance Charges	85.79	59.18	70.35	76.67
Profit before Depreciation	384.22	368.80	367.97	319.53
Depreciation	130.57	131.31	116.58	118.16
Profit before Tax	253.65	237.49	251.22	201.21
Provision for Income Tax:				
Current Tax	34.00	25.00	50.00	14.32
Deferred Tax	52.39	22.53	26.00	-
Fringe Benefit Tax	3.79	4.01	-	-
Profit after Tax	163.47	185.95	175.22	186.89

Human Resources:

HR is a very important asset in a Media Company. Over the years the company has built up a strong human resource structure, which has enabled the company to progress rapidly. The Company has a strong qualified and experienced team of professionals in creatives, Production, Marketing, Finance, HR & Administration etc. As on 31st March 2007, the company had 78 employees on its rolls.

Forward-looking Statements:

Members and Investors are cautioned that the Management discussion and analysis report presented herein above 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 realized. 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

INTRODUCTION

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance is the mechanism by which the principles, values, philosophy and practices of a company manifest in the real world. The Company has been complying with the mandatory requirements of the Code of Corporate Governance 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 believes that good corporate governance practices should be enshrined in all activities of the company. The Company is committed to strong Corporate Governance and believes in its indispensability in investor protection. Good transparent Corporate Governance ensures that the company is managed and monitored in a responsible manner geared to value creation. A good Corporate Governance system envisages application of best Corporate Practices, adherence to ethical standards for effective management establishment of higher standard of disclosure transparency and performance and enhancement of wealth of all stakeholders. 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 truly believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance and will constantly endeavour to improve on these aspects. 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 at present consists of 8 Directors, out of which 5 are Non-Executive Directors and Independent directors are 5 in number. As the company has an Executive Chairperson & Managing Director viz Mrs. R. Radikaa, the Board has more than 50% as independent Directors comprising of Mr.P.K.Raghukumar, Mr. Harsh Dalmia, Mr. M.K. Sinha, Mr. S. Priyadarshan, and Mr. P.M.Venkatasubramanian. The composition of the Board and the category of Directors are as follows:

Category	Name of the Directors
Promoter/Executive Chairperson	R.Radikaa Chairperson & Managing Director
Executive Directors	R. Sarathkumar** Director - Production
Non-Executive/Independent Directors	R.Santhanam** Director - Finance § P.K.Raghukumar Harsh Dalmia M.K.Sinha S.Priyadarshan P.M.Venkatasubramanian

† Mr.R.Santhanam inducted as Additional Director with effect from 25.01.2007.

** Mr.R.Sarathkumar and Mr.R.Santhanam are being made Executive Directors with effect from 01.04.2007.

Mr.Raju Radha resigned as Director (Personnel) with effect from 31.10.2006.

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:

Mr.R.Sarathkumar, Director of the Company since January 2005, aged 53 years, is a Ex- Member of Parliament. He is a very popular and leading Cine Actor having acted close to 100 films in both Tamil & Telugu Languages. He has won several awards, notable among them being Tamilnadu State Government Award for Best Actor in 1995 for "Naatama" & in 1998 for "Suriyavamsam", M.G.R. Award in 1997, Film Fare Awards, Cinema Express Awards, Kalaimamani Award in 1993, Chevallye Sivaaji Ganesan Award in 2000-2001, Film Fare Trophy etc..

Report on Corporate Governance (Contd.)

Mr.R.Sarathkumar has also successfully hosted a very popular Program "Kodeeswaran" in Tamil Language similar to "Kaun Banega Crorepati". He is also the President of South Indian Artist Association and a keen Sportsman & Philanthropist.

He is the Chairman of Shareholders/Investors' Grievance Committee, and Member of Audit Committee of the Company.

Mr.S.Priyadarshan, Director of the Company since January 2005, aged 50 years is one of the Best Directors in Malayalam Film Industry. He is a B.A. Philosophy & has directed more than 30 Malayalam films, notable among them being Boeing Boeing, Cheppu, Thalavattam, Aryan, Kadathanadan Ambadi, Chitram, Kilukkam, Adwaitam, Thenmavin Kombathu, Kalapani, and Chandralekha. Out of this Chitram, Kilukkam, Thenmavin Kombathu, were run away hits. Chitram ran for 365 days all over Kerala.

Mr.S.Priyadarshan has won several awards as Best Director in Malayalam films, from Film Fare Association, Cinema Express, Screen Awards etc. His film Kalapani has bagged 7 Kerala State Awards & 5 National Awards. His "Virasal" was classified as one of the Best Hindi films qualified with 7 Screen Awards & 7 Film Fare Awards.

Mr. S. Priyadarshan is a member of Remuneration Committee of the company.

Mr. P.M. Venkatasubramanian, Director of the Company since June 2005, aged 66 years, is a Fellow member from Insurance Institute of India, Mumbai and he possesses rich experience in General Insurance Industry for more than four decades in senior positions including as Managing Director in General Insurance Corporation of India, Mumbai. He was a member of Tariff Advisory Committee and had also been a Faculty in National Insurance Academy, Pune & Insurance Institute of India, Mumbai. He is also at present included in the panel of Arbitrators in National Stock Exchange of India.

Mr.P.M.Venkatasubramanian is a Director in Royal Sundaram Insurance Co. Ltd, IP Rings Ltd, Thana electric supply Co. Ltd and Trustee and chairman of GIC Mutual Fund, Bimetal Bearings Limited. He is also Chairman of Audit Committees in Royal Sundaram Insurance Co. Ltd and IP Rings Limited, Member of Audit committee in GIC Mutual fund and Chairman of Investment committee in Royal Sundaram Insurance co. Limited and member of Executive committee and Disciplinary Action Committee of National Stock exchange Limited. Mr.P.M.Venkatasubramanian is a member of the Audit committee and also the Shareholders'/Investors' Grievance Committee of our Company.

Mr.R.Santhanam, Director - Finance since from January 2007, aged 61 years, is an Economic Graduate. He hailed from a respectable family and an Ex-Banker. He worked for 37 years in the Banking Industry and held several senior positions like regional head and General Manager etc.. He has got necessary expertise in Financial and Investment portfolios. He has very rich experience in the matter of evaluation of Projects, Developing the financial systems of the Corporates, identifying the sources of Long term funds and short term funds, knowledge and experience in the risk management.

General Information:

Nature of Industry: The Entertainment industry has always been successful in drawing masses from the days of Roman Gladiators to Shakespeare to present day movies. Given the inevitable convergence between entertainment and telecommunication, the potential of the industry is unlimited. From the capital market to the corridors of power there is a buzz about entertainment. Entertainment has perhaps come to be regarded as the fourth basic need of mankind after food, clothing and shelter. The entertainment industry as a whole including films music, broadcasting and television, and live events is estimated to be worth about Rs.20,000 crores of which the Television Industry is by far the largest being worth about Rs.15,000 Crores. Further the industry is estimated to provide employment to almost Six Million people and has a tremendous growth potential.

The company is one of the most successful Media and Entertainment companies in India and a leading television content provider in South India right from 1999.

The company has been achieving consistent performance as is obvious from the figures as given below:

(Rs. In Lakhs)	2004-05	2005-06	2006-07
Income from Serials	3122.19	3014.54	4536.63
PBT	251.22	237.49	253.65
PAT	175.22	185.95	163.47
Export Earnings	102.74	96.77	108.00

Foreign investment: FII's were holding 0.28 as on 31-03-07.

Non-executive Directors' shareholding as on 31-03-2007- Nil.

Report on Corporate Governance (Contd.)
Board Meetings, Committee Meetings and Procedures:

- The company held Four meetings during the year by giving one-week notice to each of the Directors. These were on 27-04-2006, 31-07-2006, 31-10-2006 and 25-01-2007. These four were Meetings held at the end of each quarter as required under Clause 41 of the Listing Agreement. 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.
- The Meetings were held at the Company's Registered office at No.10, Paul Appasamy Street, T.Nagar, Chennai-600 017.
- 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.
- 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.
- 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.
- 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 Board Meetings (4)	Particulars Last AGM	Directorships In other Public Limited Companies Incorporated in India	Committee Memberships	Committee Chairmanship
Ms. R. Radika	4	Yes	-	-	-
Mr. Raju Radhu *	2	Yes	-	3	-
Mr. P. K. Raghu Kumar	4	Yes	2	2	1
Mr. Harsh Dulodia	1	No	3	1	-
Mr.R.Sarathkumar	3	Yes	-	1	1
Dr.M.K.Sinha	3	Yes	5	2	1
Mr. S.Priyadarshan	-	No	-	1	-
Mr. P.M. Venkatasubramanian	4	Yes	4	3	4
Mr.R.Santhanam ‡	1	NA	-	-	-

* Director since resigned.

‡ Mr. R. Santhanam inducted as Additional Director w.e.f. 25-01-07.

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.

Report on Corporate Governance (Contd.)
a) Information supplied to the Board.

Among others, this includes:

- Review of annual operating plans and Budgets and updates.
- Quarterly results of the company and its operating divisions or business segments.
- Minutes of meeting of Audit Committee and other Committees of the Board.
- 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 or substantial non-payment in respect of sales made 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 other required information as listed in the amended clause of the Listing Agreement is also made available to the Board for discussion and consideration at Board Meetings. The Board of Radaan Mediaservices (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 well in advance of the Board meetings or are tabled in course of the Board meetings.

Code of conduct for Board of Directors and Senior Management Personnel: The company has adopted a code of conduct ("The Code") for Board of Directors and Senior Management Personnel. The code has been communicated to Directors and the members of the Senior Management. The code has also been displayed on the company's website, www.radaan.tv. All Board members and Senior Management have confirmed compliance with the code for the year ended 31st March 2007. The Annual report contains a declaration to this effect signed by the CEO viz Chairperson and Managing Director.

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 financial reporting process with a view to ensure accurate and proper disclosure and transparency and quality of financial reporting. The terms of reference to the Audit Committee are as contained in Clause 49 of the listing agreement and Section 292A of the Companies Act 1956. The responsibilities of the Audit committee include inter alia

- overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board the appointment/reappointment /replacement and /or removal of Statutory Auditors and fixation of audit fees and payment for any other services rendered by them.
- Reviewing with the Management the annual and quarterly financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- Reviewing of any related party transaction.
- Review with the Management on the performance of Statutory and Internal Auditors
- Reviewing with the Management external and internal auditors, the adequacy of internal control systems.
- Discussion with external auditors regarding audit plan as well as post audit discussion to ascertain any area of concern.
- Review of Management discussion and analysis of financial conditions and results of operations and other matters as specified under clause 49 of the Listing Agreement.
- Other matters as set out in the Listing Agreement.

Report on Corporate Governance (Contd.)

The company continued to derive immense benefits from the deliberations of the Audit Committee comprising four Directors – Mr. P.K. Raghu Kumar, Mr. Harsh Dalmia and Mr. P.M.Venkatasubramanian Independent Directors Mr.R. Sarathkumar, Director - Production with Mr. P.K. Raghukumar, as its Chairman. The Chairman was present at the Annual General Meeting held on 28th September 2006. All the members of the Audit committee are financially literate, and independent directors are eminent professionals equipped with sound knowledge in financial management and accounting. Minutes of each Audit Committee meeting are placed before, and discussed in the Board Meetings.

During the year the Audit Committee has met 4 times on 27.04.2006, 31.07.2006, 31.10.2006, and 25.01.2007. The 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, <i>Chairman</i>	4	4
Mr. Raju Radha *	4	2
Mr. Harsh Dalmia	4	-
Mr. P.M.Venkatasubramanian	4	4
Mr.R.Sarathkumar (inducted on 25.01.2007)	NA	NA

* Director Since resigned

Shareholders/Investors Grievance 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 consists of Mr.R.Sarathkumar (Chairman) who is an Executive Director, Mr.P.K.Raghukumar and Mr.P.M.Venkatasubramanian and met 4 times on 27.04.2006, 31.07.2006, 31.10.2006, and 25.01.2007 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 despatched to the transferees within a maximum period of one month 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.R.Sarathkumar, Chairman	4	3
Mr. Raju Radha *	4	2
Mr. P.K. Raghu Kumar	4	4
Mr.P.M.Venkatasubramanian	4	4

* Director Since resigned

Report on Corporate Governance (Contd.)
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.

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:

The committee comprises of Three Directors: Dr.M.K.Sinha (Chairman), Mr.P.K.Raghukumar, and Mr.S.Priyadarshan all independent Directors and met once on 31st July 2006 during the year.

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 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 Wholetime Directors are given in Notes on accounts and are as follows:

Apart from payment towards the professional services rendered by her by way of Acting and Creative direction, Mrs. R. Radikaa, Executive Chairperson & Managing Director did not draw any remuneration by way of salary during the year.

Accordingly Mrs. R. Radikaa was paid Rs. 1,10,90,000 during the year as fees for Artist cum Creative head.

The aggregate value of salary and perquisites paid to Mr. Raju Radha during the year was Rs.2,80,000/-by way of Director Remuneration in accordance with the approval of members at the last AGM held on 27th September 2005.

The non-executive 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. The sitting fees paid to the Non-executive Directors for 2006-07 are as detailed below:

Name of the Director	Sitting fees	Commission	Total
Mr. R.Sarathkumar	30,000	-	30,000
Mr.P.K.Raghukumar	45,000	-	45,000
Mr.Harsh Dalmia	9,000	-	9,000
Dr. M.K.Sinha	28,000	-	28,000
Mr.Priyadarshan	-	-	-
Mr.P.M.Venkatasubramanian	44,000	-	44,000

As for the Non-Whole time Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent 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.

Report on Corporate Governance (Contd.)
a) 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.P.Krishnaswamy, 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.. Outstanding complaints as on 31st March 2007 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) 28460120
 E-mail: cameosys@satyam.net.in

e) General Body Meeting

Details of last three Annual General Meeting are given below:

Financial year ended	Date	Time	Venue
31-03-2004	21.00.2004	12.15 P.M	Madras Race Club, Guindy, Chennai
31.03.2005	27.00.2005	12.15P.M	Guindy Lodge Madras Race Club, Guindy, Chennai.
31.03.2006	28.00.2006	12.15P.M	Guindy Lodge Madras Race Club, Guindy, Chennai.

None of the subjects placed before the shareholders in the last Annual General Meeting required approval by a Postal ballot.

During the last three years where AGMs were held, no special resolution was passed in the years 2003-04 & 2004-05. In 2005-06 special resolution was passed for redesignating Mrs.R.Radikaa as Chairperson & Managing Director of the Company.

None of the subjects placed before the shareholders in this Annual general Meeting requires approval of the shareholders by postal ballot.

Report on Corporate Governance (Contd.)
Disclosures:
i) Related Party Transactions

The Company related parties and transactions are listed below:

- Parties where control exists
Mrs.R.Radikaa Chairperson Holder of more than 50% of Paid up capital
- Other related parties/key management personnel with whom transaction have taken place during the year

Name of the Person	Nature of Relationship
a. Mr. Raju Radha	Director (Personnel) relative
b. Mr.R. Sarathkumar	Director-relative

Sl.No.	Nature of Transactions	Amounts
1.	Artist cum Creative Direction payment -R.Radikaa	1,10,90,000 /-
2.	Directors' Remuneration - Mr. Raju Radha	2,80,000/-
3.	Mr. R. Sarathkumar (Outright sale of film - Thalaimagan for Chennai area & Godown rent)	40,70,000/-

- The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory Authorities on all matters related to 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
AGM

Date	Monday the 24th September 2007
Time	12.15 P.M.
Venue	Guindy Lodge, Madras Race Club, Guindy, Chennai
Date of Book Closure	17th September 2007 to 24th September 2007
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: 044-28400129 E-Mail: cameosys@satyam.net.in

(Note: Annual listing fees for the year 2007-08 were duly paid to the above stock exchanges).

Financial Calendar (tentative) Adoption of the Quarterly Results for the Quarter ending

30th June, 2007	Last week of July 2007
30th September, 2007	Last week of October 2007
31st December 2007	Last week of January 2008
31st March 2008	Last week of April 2008

Report on Corporate Governance (Contd.)
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 2006	9.45	5.45
May 2006	8.30	4.95
June 2006	6.10	3.85
July 2006	5.40	4.00
August 2006	5.35	4.15
September 2006	5.90	4.30
October 2006	5.45	4.60
November 2006	5.00	3.95
December 2006	4.95	3.85
January 2007	7.90	5.00
February 2007	7.25	5.35
March 2007	6.00	4.25

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2007

Share holdings	Share holder		Share Amount	
	Number	% of Total	In Rs.	% of total
Upto 5000	9321	87.89	12584852	11.62
5001-10000	742	7.00	5803256	5.36
10001-20000	300	2.83	4731808	4.37
20001-30000	85	0.80	2171672	2.00
30001-40000	48	0.45	1725786	1.59
40001-50000	41	0.39	1800624	1.75
50001-100000	39	0.37	2873400	2.65
100001 and above	29	0.27	76542922	70.66
Total	10605	100.00	108323080	100

Report on Corporate Governance (Contd.)
SHAREHOLDING PATTERN AS ON 31-03-2007

Category of Share Holder	No. of Holders	Total No. of Shares	Shares in DMAT	Total Shareholding as a Percentage of Total Number of Shares	
				As a % of (A+B)	As a % of (A+B+C)
A. SHARE HOLDING OF PROMOTER AND PROMOTER GROUP					
1. Indian					
a. Individuals/Hindu Undivided Family	4	32422190	32412190	59.8620	59.8620
b. Central Government/State Government(s)	0	0	0	0.0000	0.0000
c. Bodies Corporate	0	0	0	0.0000	0.0000
d. Financial Institutions/ Banks	0	0	0	0.0000	0.0000
e. Any Other	0	0	0	0.0000	0.0000
Sub-Total (A)(1)	4	32422190	32412190	59.8620	59.8620
2. FOREIGN					
a. Individuals (Non- Resident Individuals/Foreign Individuals)	0	0	0	0.0000	0.0000
b. Bodies Corporate	0	0	0	0.0000	0.0000
c. Institutions	0	0	0	0.0000	0.0000
d. Any Other	0	0	0	0.0000	0.0000
Sub-Total (A)(2)	0	0	0	0.0000	0.0000
Total Shareholding of Promoter And Promoter Group (A)=(A)(1)+(A)(2)					
	4	32422190	32412190	59.8620	59.8620
B. PUBLIC SHAREHOLDING					
1. Institutions					
a. Mutual Funds and UTI	0	0	0	0.0000	0.0000
b. Financial Institutions/Banks	1	7200	7200	0.0132	0.0132
c. Central Government/State Government(s)	0	0	0	0.0000	0.0000
d. Venture Capital Funds	0	0	0	0.0000	0.0000
e. Insurance Companies	0	0	0	0.0000	0.0000
f. Foreign Institutional Investors	1	150000	0	0.2769	0.2769
g. Foreign Venture Capital Investors	0	0	0	0.0000	0.0000
h. Any Other	0	0	0	0.0000	0.0000
Sub-Total (B)(1)	2	157200	7200	0.2902	0.2902
2. Non-Institutions					
a. Bodies Corporate	419	6525267	6525267	12.0477	12.0477
b. Individuals					
I. Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	10136	13819523	13701454	25.0163	25.0163
II. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	11	1174114	1174114	2.1678	2.1678
c. Any Other					
Clearing Member	32	52546	52546	0.0970	0.0970
Trust	1	10700	10700	0.0197	0.0197
	33	63246	63246	0.1167	0.1167
Sub-Total (B)(2)	10599	21582150	21545081	39.8477	39.8477
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)					
	10601	21739350	21561281	40.1379	40.1379
TOTAL (A) + (B)					
	10605	54161540	53973471	100.0000	100.0000
C. Shares Held by Custodians and Against which depository Receipts have been Issued					
	0	0	0		0
GRAND TOTAL					
	10605	54161540	53973471		100.0000

Out of 21739350 equity shares of Rs. 2/- each held by persons other than Promoters 21561281 shares have been dematerialized as on 31st March 2007 accounting for 99%.

The company has not issued any Global depository receipt /American Depository Receipt /warrant or any convertible instrument which is likely to have impact on the company's equity.

Changes in Demat Scenario:

SEBI has issued a circular dated 28th January 2005 rationalizing the fee structure for dematerialization of securities as follows:

Effective from February 1, 2005

- No investor shall be required to pay any charge towards opening of a Beneficiary owner (BO) account except for statutory charges as may be applicable.
- No investor shall be required to pay any charge for credit or securities into his/her BO account and
- No custody charge shall be levied on any investor who would be opening a BO account on or after February 1, 2005.

With effect from April 1, 2005 the issuer companies will bear the custody charges.

The shareholders are requested to make use of this opportunity and dematerialize their physical share certificates through a depository participant. Shareholders requiring any further clarification /assistance on the subject may contact the company's share transfer agents.

Non-Mandatory requirements:

The Board:

As the Company has Executive Chairperson the implementation of this non-mandatory requirement does not arise.

No specific tenure has been fixed for the independent Director.

Remuneration Committee:

As already declared elsewhere in the Report, the company has a Remuneration Committee.

Shareholder Rights:

The half yearly results of the company are published in newspaper and its website www.radaan.tv. The results are not sent to the shareholders individually.

Audit Qualifications:

The statutory financial statements of the company for the year are unqualified.

Training of Board Members/mechanism for evaluating non-executive Directors:

All the non-executive Directors are having rich experience and expertise in the functional areas and hence in the opinion of the Board they do not require any further training.

Whistle Blower Mechanism:

The Board has broadly considered the subject and decided that the existing system itself is adequate.

Means of communication:

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

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 M/s. Radaan Mediaworks [I] Limited for the year ended 31st March, 2007 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 the 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
Mem. No. 11205

Place : Chennai

Date : 30.07.2007

Declaration pursuant to Clause 49 of Listing Agreement regarding adherence to the Code of Conduct

To
The Shareholders of Radaan Mediaworks (I) Limited

We hereby declare that all members of the Board and the Senior Management personnel have affirmed compliance with the respective provisions of the Code of Conduct of the company formulated by the Board of Directors for the financial year ended 31st March, 2007.

R. Radikas
Chairperson &
Managing Director

F. Krishnasamy
Company Secretary

Place : Chennai

Date : 30.7.2007

AUDITOR'S REPORT TO THE MEMBERS OF RADAAN MEDIWORKS (I) LTD.

We have audited the attached Balance Sheet of RADAAN MEDIWORKS (I) Ltd. as at 31st MARCH 2007 and also the Profit and Loss Account of the Company 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 included examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also included 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, 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 account as required by the 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 2007 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 2007, 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/-)

C.N. GANGADARAN
Partner
Mem. No. 11205

Place : Chennai
Date : 30.07.2007

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 3 of the report of even date of the Auditors to the members of RADAAN MEDIWORKS (I) LIMITED on the accounts for the year ended 31st March 2007.

1. (a) The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but, according to the information and explanations given to us, there is a regular program of verification 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 verification.
 - (c) No substantial part of the fixed assets have 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, during the year 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 system 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 / game shows and feature film.
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 particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register to be maintained under that Section.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangement 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 or any other relevant provisions of the Act 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 cust 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, service tax, sales tax, customs duty, excise duty and other statutory dues have been deposited regularly during the year with the appropriate authorities. There are no undisputed taxes outstanding beyond 6 months.
 - (b) There are no disputed taxes.

10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit 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 raised term loans and they have been applied for the purpose obtained.
17. According to the information and explanation give to us by the management, the funds raised on short term basis have not been used for long term investment.
18. The company has not issued any debentures during the year and therefore the question of creation of securities does not arise.
19. 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.
20. According to the information and explanations given 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/-)

C.N. GANGADARAN
Partner
Memb. No. 11205

Place : Chennai
Date : 30.07.2007

FINANCIAL SECTION

BALANCE SHEET AS AT 31.03.2007

PARTICULARS	SCH.	31.03.2007	31.03.2006
I. SOURCES OF FUNDS :		Audited Rs.	Audited Rs.
I. SHAREHOLDERS FUNDS :			
Share Capital	A	108,323,080	108,323,080
Reserves & Surplus	B	158,969,613	142,652,671
II. LOAN FUNDS :			
Secured Loans	C	50,919,966	84,640,180
III. Deferred Tax Liabilities		19,973,029	14,733,950
		338,215,687	350,349,881
II. APPLICATION OF FUNDS :			
Fixed Assets	D		
Gross Block		142,979,550	138,736,247
Less: Depreciation		61,544,993	49,589,850
Net Block		81,434,557	89,146,399
Brand Equity		7,500,000	7,500,000
Less: Depreciation		5,252,055	4,502,855
		2,247,945	2,997,945
Investments	E	1,965,183	1,965,183
CURRENT ASSETS, LOANS & ADVANCES	F		
Cash Balance On Hand		916,372	396,515
Balances with Current Account		12,071,556	16,887,793
Sundry Debtors		172,404,673	127,727,251
Inventories		6,564,742	1,443,901
Work In Progress		52,764,448	67,527,322
Teleserials Rights & Picture Productions		61,545,182	48,835,646
Loans & Advances		43,287,553	42,669,873
Prepaid Taxes (Net of Provisions.)		12,022,753	9,731,623
		361,517,179	315,019,925
Less: Current Liabilities & Provisions	G		
Sundry Creditors		100,172,452	42,321,560
Provisions		8,776,726	16,458,010
Expenses payables			
		252,568,001	256,240,355
Net Current Assets		338,215,687	350,349,881

 (Sd/-)
R. RADIKAA
 Chairperson &
 Managing Director

 (Sd/-)
R. SARATHKUMAR
 Director - Production

 As per our Report attached
 For CNGSN & ASSOCIATES
 Chartered Accountants

 (Sd/-)
R. SANTHANAM
 Director - Finance

 (Sd/-)
P.K. RAGHU KUMAR
 Director

 (Sd/-)
P. KRISHNASAMY
 Company Secretary

 (Sd/-)
C.N. GANGADARAN
 Partner
 Memb. No. 11205

 Place : Chennai
 Date : 30.07.2007

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007

PARTICULARS	SCH.	31.03.2007	31.03.2006
INCOME :		Audited Rs.	Audited Rs.
Revenue from Teleserials / Films	H	453,063,215	301,454,162
Other Income	I	2,021,767	1,004,346
Increase / Decrease in Work in Progress	J	(14,762,873)	56,834,002
Increase / Decrease in Stock		5,060,841	1,443,901
		445,982,953	360,736,411
EXPENDITURE :			
Expenses on Teleserials -Own Production / Films	K	366,168,061	288,900,580
Employees Cost	L	7,443,218	5,463,382
Administrative Expenses	M	15,977,357	20,296,761
Selling & Marketing Expenses	N	293,824	278,173
		388,982,460	314,938,896
Profit Before Interest, Finance Charges, Doubtful Debts and Depreciation		67,000,493	45,797,515
Unrecoverable & Doubtful debts	O	10,000,000	3,000,000
Interest & Finance Charges	P	8,578,637	5,917,651
Profit Before Depreciation		38,421,856	36,879,865
Depreciation		13,056,581	13,131,256
Profit after Depreciation before Tax		25,365,275	23,748,609
Profit before Tax		25,365,275	23,748,609
Provision For Tax			
Current Tax		3,400,000	2,500,000
Deferred Tax		5,239,079	2,253,057
FBT		379,254	400,846
Profit After Tax		16,346,942	18,594,706
Balance brought forward from last year		67,287,037	48,692,331
Balance transferred to Balance Sheet		83,633,979	67,287,037
Earning Per Share		0.30	0.34
Significant Accounting Policies & Notes on Accounts	Q		

 (Sd/-)
R. RADIKAA
 Chairperson &
 Managing Director

 (Sd/-)
R. SARATHKUMAR
 Director - Production

 As per our Report attached
 For CNGSN & ASSOCIATES
 Chartered Accountants

 (Sd/-)
R. SANTHANAM
 Director - Finance

 (Sd/-)
P.K. RAGHU KUMAR
 Director

 (Sd/-)
P. KRISHNASAMY
 Company Secretary

 (Sd/-)
C.N. GANGADARAN
 Partner
 Memb. No. 11205

 Place : Chennai
 Date : 30.07.2007

Schedules Forming Part of the Accounts as at 31st March 2007

PARTICULARS	31.03.2007	31.03.2006
SCHEDULES TO BALANCE SHEET	Audited Rs.	Audited Rs.
A. SHARE CAPITAL :		
Authorized Capital :		
5,57,50,000 Equity Shares of Rs.2/- each	111,500,000	111,500,000
Issued Capital :		
5,42,29,040 Equity Shares of Rs.2/- each	108,458,080	108,458,080
Subscribed & Paid-up Capital :		
5,41,61,540 Equity Shares of Rs. 2/- each	108,323,080	108,323,080
Of the Above :		
1. 5,873,890 Shares of Rs.10 each (Since subdivided) allotted for consideration other than cash as fully Paid-up		
2. 619,898 equity shares of Rs.10 each(Since Subdivided) allotted as fully Paid-up Bonus Shares by way of Capitalisation of Profits and 1700 equity shares of Rs.10 each (Since subdivided) forfeited.		
	108,323,080	108,323,080
B. RESERVES & SURPLUS :		
Security Premium - on Equity Shares	75,365,634	75,365,634
Profit & Loss Account		
Opening Balance	67,287,037	48,692,331
Add : Net profit for the year	16,346,942	18,594,706
	83,633,979	67,287,037
	158,999,613	142,652,671
C. SECURED LOANS :		
Indian Overseas Bank		
Cash Credit Account (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 and also guaranteed by the Chairperson and Managing Director of the company).	33,141,310	35,652,322
Term Loan - Indian Overseas Bank Film Loan - For producing Tamil feature film Term Loan - For purchase of equipments & Constructions (Secured against first charge of assets and negative rights acquired under this Term Loan)	8,345,737 4,903,042	40,007,379 2,659,395
Hire Purchase Loans (Secured by the Hypothecation of movable assets Covered under the respective Hypothecation Agreements)	4,539,877	6,321,084
	50,919,966	84,640,180

Schedules Forming Part of the Accounts as at 31st March 2007
D. FIXED ASSETS SCHEDULE UNDER THE COMPANIES ACT, 1956

Particulars	Rate %	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01.04.2006	Additions	Deletions	As on 31.03.2007	As on 01.04.2006	For the Period	Deletions	As on 31.03.2007	As on 31.03.2007	As on 31.03.2006	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Software Library	10%	83,720,000	-	-	83,720,000	30,243,978	8,372,000	-	38,615,678	45,104,022	53,476,022	
Leasehold Rights & Improvements		8,029,021	937,446	-	8,966,467	1,396,022	656,227	-	1,906,249	7,060,818	8,759,599	
Furniture	6.33%	2,174,887	127,157	-	2,302,044	637,892	136,900	-	796,594	1,504,033	1,216,403	
Vehicles	5.50%	10,362,368	2,700	1,373,714	8,989,355	1,448,974	1,045,210	351,438	2,142,846	6,846,509	8,933,393	
Office Equipments	4.75%	1,884,163	264,198	-	2,148,361	810,814	101,200	-	711,816	1,436,545	1,233,548	
Store Equipments	7.0%	21,621,037	3,218,325	-	24,839,362	6,715,737	1,586,340	-	8,302,077	16,527,465	14,985,300	
Airconditioners	4.75%	551,247	57,537	-	608,784	54,571	31,642	-	85,953	522,931	486,736	
Generator	4.75%	619,415	-	-	619,415	17,212	29,422	-	46,834	572,581	602,203	
Stabiliser & UPS	4.75%	834,281	-	-	834,281	228,149	39,023	-	267,177	566,504	666,132	
Computer	25.00%	9,940,018	122,210	-	10,062,228	8,312,961	348,108	-	8,661,069	403,250	627,057	
Capital W/P	-	-	888,050	-	888,050	-	-	-	-	888,050	-	
GRAND TOTAL		138,736,248	5,619,018	1,375,714	142,979,550	49,589,850	12,396,521	351,438	61,544,913	81,434,507	89,146,387	

	31.03.2007 Rs.	31.03.2006 Rs.
E. INVESTMENTS :		
600 Equity Shares of Rs.10/- each in Andhra Bank Limited at cost (Quoted)	6,000	6,000
429757 Equity shares of Rs.10/- each (SLR) in Radaan Talent Factory (Private) Limited (Joint Venture investment in Sri Lanka)	1,950,183	1,950,183
	1,956,183	1,956,183
F. CURRENT ASSETS, LOANS & ADVANCES :		
Cash On Hand	916,372	396,515
Balances in Current Account		
With Schedule Banks	12,065,631	16,682,868
With Non-Schedule Banks	4,925	4,925
Sundry Debtors (Unsecured and considered good)		
Debtors outstanding for a period of exceeding 6 months	104,105,052	25,670,450
Other Debtors	68,299,521	102,056,801
	172,404,573	127,727,251
Inventories	6,504,742	1,443,901
Work in Progress	52,704,448	67,527,322
Teleserials Rights & Picture Productions	61,545,182	48,835,646
Loans & Advances (Unsecured and considered good) (To be received in cash or in kind or for value to be received)	43,287,553	42,669,873
Prepaid Taxes (Net of Provisions)	12,022,753	9,731,623
	361,517,179	315,019,925

Schedules Forming Part of the Accounts as at 31st March 2007

PARTICULARS	31.03.2007 Rs.	31.03.2006 Rs.
G. CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
Sundry Creditors for Trade & Expenses	100,172,452	42,208,453
Due to Directors	-	113,107
Provisions :		
Expenses Payables	8,776,726	16,458,010
	108,949,178	58,779,570
Schedules to Profit & Loss Account	31.03.2007 Rs.	31.03.2006 Rs.
H. TELESERIAL / FILM REVENUE :		
Income from Teleserials / Films / Event Shows	453,663,218	301,454,162
L. OTHER INCOME :		
Miscellaneous Income	1,824,103	129,175
Interest Received	197,664	444,989
Hire Charges	-	130,000
Profit on Fixed Assets	-	40,826
Profit on Exchange Fluctuation	-	289,353
	2,021,767	1,004,343
J. INCREASE/DECREASE IN WIP :		
Opening Work in Progress	67,527,322	10,683,320
Closing Work in Progress	52,764,449	67,527,322
	(14,762,873)	56,834,002
K. DIRECT EXPENSES :		
A. TELESERIAL - OWN PRODUCTION		
Payments to Artists	30,186,844	49,212,144
Payments to Dubbing Artists	4,090,030	4,034,512
Payments to Art & Camera Director & Asst and PM	8,148,316	6,034,418
Telecast Charges	160,120,766	113,846,350
Prize Money	25,831,684	9,460,128
Art & Set Properties Rent	2,309,740	2,086,096
Payments to Technicians	40,301,624	36,586,766
Production Expenses	12,276,656	8,104,115
Hire Charges	2,226,357	1,899,443
Titling & Effect Charges	396,550	331,450
Wages & Batta	10,016,231	8,327,264
Costumes & Makeup	2,899,856	2,783,711
Copyrights Films	2,000,000	-
Lighting & Generator Hire Charges	18,392,349	7,839,395
Camera Hire & Maintenance Charges	11,382,339	3,407,445
Music Composing & Recording Exp	1,863,250	2,410,377
Other Project Expenses	6,884,182	5,184,758
Vehicles Maintenance & Hire Charges	5,331,562	4,666,411
Cassettes & Negatives	6,830,809	6,357,247
Location & Auditorium Rent	6,618,706	6,649,933
Catering	5,940,908	3,388,488
Event Show Expenses	4,271,127	-
Print Cost - Film	5,465,882	-
Amortisation of Tele Serial rights	24,939,464	21,333,120
	308,806,282	305,742,571
Less : Film Expenses	11,071,187	33,867,898
	(Total - A)	271,874,673

Schedules Forming Part of the Accounts for the year ended 31st March 2007

PARTICULARS	31.03.2007 Rs.	31.03.2006 Rs.
Prod exp of Marathi, Malayalam & Kannada tele serials	4,802,500	9,363,200
Total (B)	4,802,500	9,363,200
C. FEATURE FILM EXPENSES :		
Feature Film Expenses	11,279,466	34,651,254
Total (A)+(B)+(C)	403,817,061	315,889,127
Less: Amortisation of Teleserial Expenses	37,649,000	26,988,547
	366,168,061	288,900,580
L. EMPLOYEES COST :		
Salaries including cost to PF & ESI	6,859,630	5,342,297
Staff Welfare	748,104	158,287
	7,607,734	5,500,584
Less: Film expenses	164,516	37,202
	7,443,218	5,463,382
M. ADMINISTRATIVE EXPENSES :		
Directors Remuneration	280,000	360,000
Donation	-	11,960
Hire Charges	-	94,016
Insurance Charges	327,718	1,545,561
Loss on exchange variation	448,134	34,596
Loss on Sale of Fixed Assets	61,276	1,772,515
Other Administrative Charges	1,667,892	3,877,957
Prize Exp.	200,160	210,950
Postage, Telephone charges	2,843,797	2,061,548
Printing & Stationery	584,887	658,041
Professional & Consultancy Charges	1,456,310	2,126,615
Remuneration to Auditor's	435,000	435,000
Listing fees	131,516	78,040
Rent, Rates & Taxes	3,076,164	3,105,626
Repairs & Maintenance	1,183,908	1,322,900
Traveling & Con	1,864,326	2,074,626
Vehicle Maintenance	565,708	794,536
	15,116,862	20,474,547
Less : Film Expenses	39,505	177,780
	15,077,357	20,296,761
N. SELLING & MARKETING EXP		
Business Promotion	183,610	217,324
Advertisement Expenses	110,214	60,849
	293,824	278,173
O. UNRECOVERABLE & DOUBTFUL DEBTS		
Opening Balance	3,000,000	-
Add : Provision made during the year	10,000,000	3,000,000
	13,000,000	3,000,000
Less : Written off during the year	13,000,000	-
Closing Balance	-	3,000,000
P. INTEREST & FINANCE CHARGES		
Interest & Finance Charges	8,141,013	6,276,560
Bank Charges	441,882	209,450
	8,582,895	6,486,010
Less : Film expenses	4,358	568,368
	8,578,637	5,917,651

SCHEDULES FORMING PART OF THE ACCOUNTS

Q. Significant Accounting Policies & Notes on Accounts

NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2007 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 on a going concern basis.

b. Fixed Assets:

Fixed Assets are stated at cost less depreciation.

c. Depreciation / Amortization:

- Depreciation on Fixed Assets, other than Computer, brand equity and Software Library are provided on Straight Line Method at the rates laid down in Schedule XIV of the Companies Act, 1956. In respect of Computer, depreciation is provided on Straight Line Method at the rate of 25% respectively.
- Software Library 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 remaining 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 / Game shows 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 calculated based on absorption method.

d. Inventories:

Stock of empty cassettes, free commercial time banked on own marketing and undistributed prize money in the form of gold of the game show are valued at cost and work-in-progress calculated based on absorption method and the same is valued at cost or market price whichever is less.

e. Revenue Recognition:

- Income from Tele-Serials / Tele-Films / Game shows is recognized on accrual basis as per the terms of the Agreement entered into for telecasting / exploitation.
- In case of Domestic telecast, Revenue is recognized on the telecast of the concerned Tele-serial.
- In case of Overseas telecast, 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. Investments:

The Investment made in joint venture - Radaan Talent Factory Private Ltd is accounted & shown as Investment in accordance with AS-13 - Accounting for Investments as significant influence and joint control do not exist during the financial year.

Schedules Forming Part of the Accounts (contd.)

h. Retirement Benefits:

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

i. Earnings Per Share:

The Company reports Basic and Diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 Earnings Per Share 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, if any) during the accounting period.

j. 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 Accounting Standard-22 Accounting for Taxes on Income 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.

k. Impairment of Assets:

The Company has a policy of comparing the recoverable value with the carrying cost and charging impairment when required.

l. Contingent Liabilities & Provisions:

All known liabilities & Provisions of material nature if any have been provided for in the accounts in accordance with AS-29 Provisions, Contingent Liabilities & Contingent Assets.

II. Notes on Accounts:

1. The Company had entered into leasehold agreements with Directors for acquiring leasehold rights for a period of 20 years in respect of properties at No.10, Paul Appasamy Street, Chennai 600 017.

The consideration for lease deposit was Rs. 200 Lakhs 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 out of the remaining deposit the sum of Rs.117.50 lacs was discharged in the form of cash and the balance of Rs. 7.50 lacs is still remains unpaid. The registration formalities in respect of lease agreements are yet to be completed.

2. The cost of Episodes of Tele-Serials / Tele-Films / Feature Films completed and pending telecast as on the date of Balance Sheet has been considered as work-in-progress and calculated based on absorption method and the same is valued at cost.
3. There are no outstanding dues to small-scale industries.
4. Particulars of Directors Remuneration:

Sl. No	Name	Designation	2006-07	2005-06
1	Raju Radha	Director (Personnel)	2,80,000	3,60,000

Schedules Forming Part of the Accounts (contd.)
Managerial Remuneration:

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

(Rs. In Lacs)

PARTICULARS	2006-07	2005-06
Profit before Taxation	253.65	237.49
Add: Depreciation as per Companies Act	130.57	131.31
Less-on Sale of Fixed Assets	.61	17.72
Managerial Remuneration	2.80	3.60
Less: Depreciation as per section 350 of Companies Act, 1956	130.57	131.31
Net Profit for the year	257.95	258.81

- The overall Managerial Remuneration is Rs. 2,80,000/-, which is within maximum ceiling limit laid down in Schedule XIII of the Companies Act, 1956
- The sum of Rs. 30 lacs and Rs. 100 lacs provided during the FY 2005-06 and FY 2006-07 respectively towards unrecouped and doubtful debts have been written off in full during this year.

6. Segment Reporting:

The Company operates in two Business Segments

- Production of Tele-serial/Game show and
- Production of Feature Films

(Rs. In Lacs)

Sl. No. Particulars	Year Ended 31.03.2007	Year Ended 31.03.2006
1. Segment Revenue		
a) Tele Serials/Game Show	4012.68	3018.00
b) Feature Films	544.17	6.50
Total	4556.85	3024.50
Net Sales/Income from Operations	4556.85	3024.50
2. Segment Results		
Profit/(Loss) (Before tax from each segment)		
a) Tele Serials/Game Show	248.42	230.99
b) Feature Films	5.23	6.50
Total Profit before Tax	253.65	237.49
3. Capital Employed (Segment Assets - Segment Liabilities)		
a) Teleserials/Game Show	2,491.17	2,454.25
b) Feature Films	182.07	55.51
c) un-allocable Assets-Liabilities		
TOTAL	2,673.24	2,509.76

Schedules Forming Part of the Accounts (contd.)
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 & Managing Director	Holder of more than 50% of paid-up Capital
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Sl. No	Name of the Person	Nature of Relationship	Amount Rs.	Particulars
1	R.Radikaa	Chairperson & Managing director	1,10,90,000	Artist Cum Creative Head and advance payment in the professional capacity.
			18,00,000	Office - Lease Rent

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	Amount Rs.	Particulars
2	R. Sarthkumar (Managing director - RSK Pictures Pvt Ltd)	Director	40,50,000	Outright sale of film - Thalamagan for Chennai area.
			20,000	Godown Rent
3	Raju Radha	Director	2,80,000	Director Remuneration

8. Earnings per Equity Share

Sl. No	Particulars	2006-07	2005-06
1	Profit of the year (Rs.)	1,63,46,942	1,85,94,706
2	Weighted Average No. of equity shares (including bonus) for Basic/Diluted Earnings per share	5,41,61,540	5,41,61,540
3	Earnings per share	.30	.34

9. The Net Deferred Tax Liability comprise of the following:

Sl.No.	Particulars	31.03.2007 Rs.	31.03.2006 Rs.
1	Depreciation on Fixed Assets	1,75,98,616	1,66,37,567
2	Amortization of Tele-Serial Cost	23,74,412	(19,03,617)
3	Sub - Total	1,99,73,028	1,47,33,950
4	Less: Opening Deferred Tax Liability	1,47,33,950	1,24,80,803
5	Net Deferred Tax Liability	52,39,079	22,53,067

Cash Flow Statement for the year ended 31st March, 2007
 Pursuant to Clause 32 of the Listing Agreement

Schedules Forming Part of the Accounts (contd.)

10. Contingent Liabilities not provided for:

Sl.No.	Particulars	31.03.2007	31.03.2006
1	Estimated amount of contracts remaining to be executed on Capital Accounts	Nil	Nil
2	a. Claims against the company not acknowledged as debts	Nil	Nil

11. Auditor's Remuneration:

Sl.No.	Particulars	31.03.2007	31.03.2006
1	Audit Fee	3,50,000	3,50,000
2	Tax Audit	85,000	85,000

12. Licensed and installed capacity - Not Applicable

13. Earnings in Foreign Currency - US \$ 237,114 Equivalent to Rs. 1,08,00,515 US \$220,505 Equivalent to Rs. 96,76,968

14. Expenditure in Foreign Currency - US \$ 5,667 Equivalent to Rs. 2,55,900 Singapore \$ 4,164 Equivalent to Rs. 1,23,142 US \$ 11,300 Equivalent to Rs. 5,15,980

15. The Confirmation of Balances of Debtors & Creditors is yet to be received in some case.

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.

 (Sd/-)
R. RADIKAA
 Chairperson &
 Managing Director

 (Sd/-)
R. SARATHKUMAR
 Director - Production

 As per our Report attached
 For **CNGSN & ASSOCIATES**
 Chartered Accountants

 (Sd/-)
R. SANTHANAM
 Director - Finance

 (Sd/-)
P.K. RAGHU KUMAR
 Director

 (Sd/-)
P. KRISHNASAMY
 Company Secretary

 (Sd/-)
C.N. GANGADARAN
 Partner
 Memh. No. 11295

 Place : Chennai
 Date : 30.07.2007

	2006-2007 Rs.	2005-2006 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	25,365,275	23,748,609
Add: Finance Charges	8,578,637	5,917,651
Depreciation	13,056,581	13,131,256
Loss on Sale of Fixed Assets	61,276	1,772,515
Preliminary Exps Written Off	-	-
	21,006,494	20,821,422
	47,061,769	44,570,031
Less: Interest Received	197,664	444,989
Dividend Received	575,688	40,826
Profit on sale of fixed assets	-	-
	773,352	485,815
	46,288,417	44,084,216
Operating Profit before Working Capital Changes (Increase) / Decrease in Work In Progress	14,762,874	(56,834,002)
(Increase) / Decrease in Sundry Debtors	(44,077,322)	(10,736,842)
(Increase) / Decrease in Loans & Advances	(34,079,187)	(18,326,568)
Increase / (Decrease) in Current Liabilities	50,160,608	26,943,233
	(5,824,027)	(58,954,179)
Cash Generated from Operating Activities (A)	42,464,390	(14,869,963)
Fringe Benefit Tax	370,254	400,846
	42,065,136	(15,270,809)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Cash Outflow		
Purchase of Fixed Assets	5,619,018	11,789,947
Investment in Joint Venture	-	1,969,184
Cash Inflow	963,000	3,251,486
Sales of Fixed Assets	197,664	444,989
Interest Received	575,688	-
Dividend Received	-	-
Net Cash from Investing Activities (B)	(3,882,666)	(10,052,656)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Bank Borrowings	(31,929,007)	34,425,263
Increase / (Decrease) in Other Secured Loans	(1,791,207)	2,193,647
Increase / (Decrease) in Unsecured Loans	-	-
Finance Charges	(8,578,637)	(5,917,651)
Issue Expenses	-	-
Net Cash from Financing Activities (C)	(42,298,851)	30,701,250
Net Increase in Cash & Cash Equivalents (A+B+C)	(4,096,380)	5,377,795
Cash & Cash Equivalents at the beginning of the year	17,984,308	11,706,513
Cash & Cash Equivalents at the end of the year	12,887,928	17,084,308
Net Increase / (Decrease) in Cash & Cash equivalents	(4,096,380)	5,377,795

Note:

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

 (Sd/-)
R. RADIKAA
 Chairperson &
 Managing Director

 (Sd/-)
R. SARATHKUMAR
 Director - Production

 As per our Report attached
 For **CNGSN & ASSOCIATES**
 Chartered Accountants

 (Sd/-)
R. SANTHANAM
 Director - Finance

 (Sd/-)
P.K. RAGHU KUMAR
 Director

 (Sd/-)
P. KRISHNASAMY
 Company Secretary

 (Sd/-)
C.N. GANGADARAN
 Partner
 Memh. No. 11295

 Place : Chennai
 Date : 30.07.2007

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I. Registration Details

Registration No.	4 3 1 8 3	State Code	0 1 8
Balance Sheet Date	3 1 0 3 2 0 0 7		

II. Capital raised during the year

(Amount in Thousand of Rupees)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds

(Amount in Thousand of Rupees)

Total Liabilities	3 3 8 2 1 5 . 6 9	Total Assets	3 3 8 2 1 5 . 6 9
Source of Funds	1 0 8 3 2 3 . 0 8	Reserves & Surplus	1 5 8 9 9 9 . 6 1
Paid-up Capital		Unsecured Loans	* * * N I L * * *
Secured Loans	* 5 0 9 1 9 . 9 6		

Application of Funds

Net Fixed Assets	* 8 3 6 8 2 . 5 1	Investments	* * 1 9 6 5 . 1 8
Net Current Assets	2 5 2 5 6 8 . 0 0	Misc. Expenditure	* * * N I L * * *
Accumulated Losses	* * * N I L * * *		

IV. Performance of Company

(Amount in Thousand of Rupees)

Turnover	4 5 5 8 8 4 . 9 8	Total Expenditure	4 3 0 3 1 9 . 7 7
Profit / (Loss) before Tax	* 2 5 3 6 5 . 2 7	Profit / (Loss) after Tax	* 1 6 3 4 6 . 9 4
Earning per share in Rs.	* * * * * . 3 0	Dividend	* * * N I L * * *

V. Generic Names of Principal Products of Company

Items Code No.	Not Applicable
Product Description	Media & Entertainment