

4<sup>th</sup> September 2013

The Manager  
Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai-400 051

Dear Sir,

**Sub: Submission of Annual Report**

With reference to the Clause 31 of the Listing Agreement, please find enclosed herewith six copies of the Annual Report of the company for financial year ended 31<sup>st</sup> March 2013, including the Notice (forming part of the Annual Report) convening the fourteenth Annual General Meeting and Form A, as required under the aforesaid clause, for Unqualified Annual Audit Report.

Further it may kindly be noted that the copy of Annual Report can be downloaded from our website [www.radaan.tv](http://www.radaan.tv)

Thanking you

Yours faithfully,

**For Radaan Mediaworks India Limited**



Kanhu Charan Sahu  
Company Secretary

Encl : aa

# FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Radaan Mediaworks India Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	CEO/Managing Director	<p>RADAAN MEDIAWORKS INDIA LIMITED</p> <p><i>R. Radhak</i></p> <p>Chair Person</p>
	CFO	<p>For RADAAN MEDIAWORKS INDIA LIMITED</p> <p><i>M. Karthikeyan</i></p> <p>Authorised Signatory</p>
	Auditor of the company	<p>For C N G S N &amp; ASSOCIATES</p> <p>CHARTERED ACCOUNTANTS</p> <p>P.R. No. 4915 S</p> <p><i>C.N. Gangadaran</i></p> <p>C.N. GANGADARAN PARTNER MEMB. No. 11205</p>
	Audit Committee Chairman	<p><i>[Signature]</i></p> <p>RADAAN MEDIAWORKS INDIA CHENNAI</p>



**Radaan**  
mediaworks

14TH ANNUAL REPORT  
2012 - 2013

[www.radaan.tv](http://www.radaan.tv)



Intense and personalized acting instruction  
International standard | Modern techniques & tools



**Radaan Film and Television Academy**

**Voice, Speech & Diction | Grooming | Personality Development | Dance**

**[www.rafta.in](http://www.rafta.in)**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**R. RADIKAA SARATHKUMAR**  
Chairperson & Managing Director

**R. SARATHKUMAR**  
Director - Operations

**A. KRISHNAMOORTHY**  
Director

**J. KRISHNA PRASAD**  
Director

**V. SELVARAJ**  
Director

**V MURALI RAAMAN**  
Chief Executive Officer

**M KAVIRIMANI**  
Chief Financial Officer

**K C SAHU**  
Company Secretary

### REGISTERED OFFICE :

No. 10, Paul Appasamy Street  
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

### STATUTORY AUDITORS :

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

### INTERNAL AUDITORS :

A J Deora & Associates  
Chartered Accountants  
SF-6, IInd Floor, 'Golden Enclave'  
No. 275/184, Poonamallee High Road,  
Chennai - 600 010.

### LEGAL ADVISOR :

Harishankar Mani  
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 V th Floor  
No. 1, Club House Road,  
Chennai - 600 002.  
Ph. : 044-2846 0390(5 lines)  
Fax : 044-28460219 Grams : "CAMEO"  
E-Mail : cameo@cameoindia.com

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## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Fourteenth Annual General Meeting of the company will be held on Friday, the 27<sup>th</sup> September 2013 at 10.00 a.m., at Madras Race Club, Guindy, Chennai - 600032 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2013, Profit & Loss Statement for the year ended 31<sup>st</sup> March 2013 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr.J Krishna Prasad, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors for the period from conclusion of the Annual General Meeting to conclusion of next Annual General Meeting and decide their remuneration. The retiring auditors M/s.CNGSN & Associates, Chartered Accountants are eligible for re-appointment.

### SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification (s) the following as a Special Resolution:

RESOLVED THAT pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, be and is hereby accorded to the holding and continuing to hold an office or place of profit, within the meaning of Section 314 of the Companies Act, 1956, under the Company by Mr. M R Mohan Ratha, brother of Mrs. R Radikaa Sarathkumar, Chairperson & Managing Director of the Company, who was appointed by the Board of Directors as Vice President – Business Development on a salary of Rs.1,60,000/- (Rupees One Lakh Sixty Thousand Only) per month w.e.f. 15<sup>th</sup> July 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take, perform and execute such further steps, acts, deeds and things, as may be necessary to give effect to this resolution.

By Order of the Board

Date: 14<sup>th</sup> August 2013 For Radaan Mediaworks India Limited

Registered office:

10,Paul Appasamy

Street

T.Nagar

Chennai-600 017

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KANHU CHARAN SAHU  
Company Secretary

### 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 DULY FILLED PROXY FORM SHOULD HOWEVER BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF 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 26<sup>th</sup> September 2013 to 27<sup>th</sup> September 2013 (both days inclusive).
4. 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.
5. 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.
6. 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.
7. Pursuant to the provisions of section 109A 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 Registrar and Transfer Agent M/s. Cameo Corporate Services Limited, Chennai- 600 002 and to the Depository Participants in case the shares are held in electronic form.
8. All documents referred to in the accompanying notice are available for inspection by the members at the registered office of the company on all working days between 11.00 A.M. And 1.00 P.M. prior to the date of the meeting.
9. Details of directors seeking appointment/ re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the listing agreement) are provided below.

Name of the Director	Mr. J Krishna Prasad
DIN	03397294
Date of Birth	16 <sup>th</sup> August 1955
Date of appointment on Board	12 <sup>th</sup> February 2011
Qualification	B.Sc., Fellow member of the Institute of Chartered Accountants of India
Expertise	General Business Consultancy, Fund Raising
List of Directorships held in other companies	NIL
Shareholding in the company	NIL
Relationship with other directors	NIL

#### 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 14<sup>th</sup> August 2013 and shall be taken as forming part of the Notice.

#### Item No.4:

Mr. M R Mohan Ratha was one of the founder directors of the Company. He was earlier Managing Director and had contributed to the growth of the Company. After leaving the company in May, 2005 he was into own independent ventures. He has vast experience in the industry, particularly in Strategy Management.

The Board of Directors, at the meeting held on 26<sup>th</sup> June 2013, appointed him as Vice President – Business Development with a salary of Rs.1,60,000/- (Rupees One Lakh Sixty Thousand only) per month effective from 15<sup>th</sup> July 2013.

Mr. M R Mohan Ratha is the brother of Mrs.R Radikaa Sarathkumar, Managing Director of the Company and hence, he is deemed to hold an office or place of profit as per the provisions of Section 314 of the Companies Act, 1956.

In terms of the provisions of Section 314 of the Companies Act, 1956, members' approval by way of Special Resolution is required for the aforesaid appointment and payment of remuneration.

The appointment is on the terms and conditions contained in the general employment agreement entered into with Mr. M R Mohan Ratha, copy of which is available for inspection at the Registered Office of the Company on any working day till

the date of meeting.

The Board of Directors recommends the resolution in Item No.4 of the Notice for the approval of the Members as a Special Resolution.

Mrs.R.Radikaa Sarathkumar, and Mr.R Sarathkumar being relatives of Mr.M R Mohan Ratha, are deemed to be concerned or interested in the said resolution. None of the other Directors is concerned or interested.

By Order of the Board  
Date: 14<sup>th</sup> August 2013 For Radaan Mediaworks India Limited  
Registered office:  
10,Paul Appasamy  
Street  
T.Nagar  
Chennai-600 017

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KANHU CHARAN SAHU  
Company Secretary



## DIRECTORS' REPORT

**Dear Shareholders,**

The Directors have pleasure to present their report on the business and operations of your Company for the year ended March 31, 2013.

### Financial Performance:

A summary of financial performances during the year is given below, detail analysis is included in the Management Discussion and Analysis:

(Rs. in Lakhs)

Particulars	2011-12	2012-13
Revenue from Tele serials/films	3990.87	3199.98
Other income	21.88	109.68
Operating expenses	3630.32	3004.22
Finance cost	66.48	112.84
Profit/ (Loss) before Tax	165.10	90.71
Tax expenses / provisions	(3.93)	(14.38)
Net Profit/ (Loss)	169.03	105.09

### Dividends:

No dividend is recommended for the financial year ended 31<sup>st</sup> March 2013, in view of previous year losses.

### Public Deposits:

The company has not accepted any fixed deposit from public during the year under review.

### Subsidiary Company:

During the year, the Company has formed a wholly owned subsidiary in Singapore with the name and style 'Radaan Media Ventures Pte Limited'. The subsidiary company is engaged in similar activities that of the holding company. As of the balance sheet date no commercial operation had been started in the subsidiary company, also no investment had been made therein by the holding company.

However as of this reporting date, the holding company has remitted, Singapore \$20,000/- towards Equity Capital, including the subscription to the Memorandum of Association and Singapore \$ 90,000/- as unsecured loan to the subsidiary company; and the subsidiary company is in the first year of operation.

### Directors:

In accordance with provisions of Companies Act, 1956 and Articles of Association of the company Mr.J Krishna Prasad retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Composition of the board of directors and committees thereof, including the audit committee are discussed in detail in the Corporate Governance Report.

### Corporate Governance:

Pursuant to clause 49 of the Listing agreement with the Stock exchanges, the following have been made part of the Annual Report.

- Management Discussion and Analysis
- Corporate Governance Report
- Certificate from the Auditors regarding compliance of conditions of Corporate Governance.
- Declaration on compliance with Code of Conduct
- Certificate of the Managing Director and the Chief Financial Officer on the financial statements

### 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 reappointment of M/s CNGSN & Associates as Statutory Auditors.

M/s CNGSN & Associates, Statutory Auditors submitted their report for the Financial Year 2012-13 which, including all remarks there in, is self explanatory.

### Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### Directors' Responsibility Statement:

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

- 1) In preparing the annual accounts for the year ended 31<sup>st</sup> March 2013, all the applicable accounting standards have been followed without any material departure.
- 2) 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 31<sup>st</sup> March 2013.

- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a 'going concern' basis.

#### Particulars of Employees

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

#### Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988.

##### (A) Conservation of Energy

The company being in media and entertainment industry, it's operations are not energy intensive. However, the company takes adequate measures to save energy by installing energy efficient electrical and electronic equipments.

##### (B) Research and Development

The company has not carried out any specific research activity during the year under review. However, as part of regular ongoing business it explores ideas in creating contents in entertainment.

##### (C) Technology absorption, adaptation and innovation

The company continues to take prudent measures in respect of technology absorption.

##### (D) Foreign exchange earnings and outgo

The company regularly supplies television contents to overseas broadcasting channels. Details of foreign currency earned and used during the year are provided below:

	Year ended 31-03-2012	Year ended 31-03-2013
Foreign Exchange Earnings	US\$ 1,94,094 £ 1,49,159 aggregating equivalent to Rs.2,24,08,625/-	US\$ 2,43,295 £ 18,000 aggregating equivalent to Rs.1,45,97,007/-
Expenditure in foreign currency	US\$ 48,480 £ 1,81,606 aggregating equivalent to Rs.1,64,59,491/-	US\$ 1,17,642 £ 2,000 S\$ 2,305 aggregating equivalent to Rs.69,32,570/-

#### Appreciation

The Directors are thankful to the members, customers, vendors, broadcasting channels, marketing agencies, bankers for their confidence and continued support extended to the company. The directors are grateful to the Central and State Governments, Securities and Exchange Board of India, Reserve Bank of India, Registrar of Companies and other Government/ Regulatory Authorities for their continued cooperation.

The Directors would like to express their sincere thanks to the Film Producers Council, Distributors Associations, Actors, Actresses, Sponsors and various other agencies associated with film and television industry and millions of viewers and place on record the support extended by them.

The Directors also place on record their appreciation to all the employees for their commendable contribution at various levels.

By order of the Board of Directors  
For Radaan Mediaworks India Limited

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Chennai  
14<sup>th</sup> August 2013

R Radikaa Sarathkumar  
Chairperson & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

Members and Investors are cautioned that the Management Discussion and Analysis Report presented herein below 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. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

### Industry Overview

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent, albeit the slowdown in Indian economy due to both domestic and external factors. Given the momentum introduced by digitization, continued growth of regional media, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017, the FICCI-KPMG Report for 2013 says.

The advent of technology has empowered the consumer like never before. The rising presence and reach of the internet,

coupled with the prolific growth of smart-phones, tablets and related technologies, has provided consumers with unmatched access to information on the go, thereby helping them make informed purchasing decisions. The adoption of digital media is redefining consumer mindsets, patterns of purchase and decision making. This, in turn, is transforming consumer behavior. The rapid pace at which digital media is being adopted is also expected to propel growth in the use of consumer technology.

### Television

Television clearly continues to be the dominant segment, despite that 2012 was a challenging year, with companies conserving capital and cutting advertisement spends in the face of a soft macro-economic environment. Digitisation of cable, commenced recently, is expected to bring in transparency and increase subscription revenues for Multi System Operators (MSOs) and broadcasters. It is also expected to reduce carriage fees, building a case for the launch of niche channels and investment in content for existing channels. Developments and refinements in viewership measurement systems may affect the way Advertising is distributed among channels. These changes would significantly change the way business is done.

Regional genres are showing phenomenal growth in terms of viewership. In 2012, the regional channels accounted for approximately 26.6 percent of total television viewership, of this, the Tamil and Telugu markets account for approximately 50 percent of total regional viewership, says the FICCI-KPMG Report for 2013.

Internationally, in a reflection of India's growing diaspora, Indian channels have also been aggressively increasing their presence across the globe; in addition to the Indian diaspora, offerings are also targeted at the local population, primarily through dubbed or sub-titled content.

Overall industry size and projections:												
Overall industry size (INR Billion) (For Calendar Years)	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013p	2014p	2015p	2016p	2017p	CAGR (2012-17)
TV	241.0	257.0	297.0	329.0	370.1	12.5%	419.9	501.4	607.4	725.0	847.6	18.0%
Print	172.0	175.2	192.9	208.8	224.1	7.3%	241.1	261.4	285.6	311.2	340.2	8.7%
Films	104.4	89.3	83.3	92.9	112.4	21.0%	122.4	138.3	153.6	171.7	193.3	11.5%
Radio	8.4	8.3	10.0	11.5	12.7	10.4%	14.0	15.4	18.7	22.7	27.4	16.6%
Music	7.4	7.8	8.6	9.0	10.6	18.1%	11.6	13.1	15.3	18.3	22.5	16.2%
OOH	16.1	13.7	16.5	17.8	18.2	2.4%	19.3	21.1	23.0	25.0	27.3	8.4%
Animation and VFX	17.5	20.1	23.7	31.0	35.3	13.9%	40.5	46.8	54.3	63.1	73.4	15.8%
Gaming	7.0	8.0	10.0	13.0	15.3	17.7%	20.1	23.8	30.9	36.2	42.1	22.4%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	40.9%	28.3	37.1	48.9	65.1	87.2	32.1%
Total	580	587	652	728	821	12.6%	917	1059	1238	1438	1661	15.2%
<b>Courtesy : FICCI-KPMG Report for 2013</b>												



## Film

For Indian film industry, 2012 was an exciting year. Domestic theatrical revenue continues to be the main source of revenue for films and this trend is expected to continue in the foreseeable future. India's domestic theatrical revenues grew by 23.8 percent Y-o-Y, contributing 76 percent of the INR 112.4 billion film industry. The film industry is expected to continue on its growth trajectory and be worth INR 193.3 billion by 2017, says the FICCI-KPMG Report for 2013. Digital distribution played a significant role in increasing the reach of the industry. The share of the digital format has increased from roughly 50 percent in 2010 to around 80-90 percent in 2012, as per the FICCI-KPMG Report.

The increasing preference for local taste in content has seen regional cinema growing over the years. South India dominated the regional cinema segment. The Tamil and Telugu film industries are both major contributors to the growth of the South Indian film industry. The growth of regional cinema is led by digitization, boost of multiplexes, emergence of new talent and organized funding. The South Indian exhibition industry added 41 screens with 90 percent (37 screens) multiplex screen additions. The rise of regional channels has also given a boost to the regional industry as it presents more opportunities for cable and satellite monetization. International and Bollywood production houses are teaming with regional peers who know local markets better. These professionally-run production houses try to bring in greater sophistication and efficiency across the value chain, as compared to family-run banners. This has shifted from producing pure star driven films to experimenting with content and providing a platform to newer talent.

## New Media

New media continued its growth trajectory in 2012, at approximately INR 22 billion in revenue, digital ad-spend reached approximately 6.7 percent of the total M&E industry advertising revenue, says the FICCI-KPMG Report. The mobile story has begun to play out in India, with the user base expanding significantly, the devices are getting cheaper, access better and time spent longer, leading to significant shifts in content consumption habits of large sections of the Indian audience. The recourse for content owners is to invest and create credible platforms where

users can consume content effectively and at the same time work towards effective policing of piracy.

Monetization in the new media space in India continues to remain dependent on revenues from advertising. Growing at close to 40 percent, the online Ad market (excluding mobile) in India touched INR 20 billion in 2012, and is expected to grow at a 32 percent CAGR to reach INR 74 billion in 2017, says the FICCI-KPMG Report. Though, mobile advertising currently accounts for a small share of the market, it is expected to grow significantly in the coming years, as advertising catches up with usage and time spent on mobile. Historically, there have been challenges related to screen size and return on investment for display advertising in mobile. However, a number of innovations in ad formats, growth in smart phones, larger screen sizes and penetration of tablets will ensure that mobile advertising continues to grow at a fast pace.

## Animation, VFX and Post Production

Animation is no longer a 'sunrise' industry, it has begun expansion in different directions primarily due to factors such as growth of the overall M&E industry, the potential newer consumption segments like education and gaming, and the recognition of India as an outsourcing destination. The year 2012 was a mixed year for the Indian animation and VFX industry. The performance of the animation industry was more flat, whereas VFX and Post-production grew in line with the overall performance of the film and TV industry.

## Company Overview

Radaan Mediaworks India Limited (Radaan) is a leading company in the Indian Entertainment Industry, majorly operating in southern regional languages. Television content production is prime activity, though the company has diversified into other sections. The company's success is built on the relationships cultivated over the past decade with leading talents, broadcasting channels, distributors, exhibitors and other key industry participants.

Content producers rank first in the industry value chain. During the year the company had successfully produced many television series and events.

Segment snapshot of Animation, VFX and Post Production							
Segments (INR billion)	2012	2013P	2014P	2015P	2016P	2017P	CAGR % 2013-17
Animation services	7.6	8.5	9.8	11.1	12.5	14.0	13.0%
Animation production	4.5	4.9	5.4	6.0	6.7	7.6	11.2%
VFX	7.7	9.3	11.1	13.4	16.1	19.2	20.1%
Post-production	15.5	17.8	20.5	23.8	27.8	32.6	16.0%
Total	35.3	40.5	46.8	54.3	63.1	73.4	15.8%
<b>Courtesy : FICCI-KPMG Report for 2013</b>							

#### TV programs during 2012-13:

Program name and language	Channel / Client	Category
Chellamay, Tamil	SUN TV	Daily series
Elavarasi, Tamil	SUN TV	Daily series
Vaani Rani, Tamil	SUN TV	Daily series
Shiva Shankari, Tamil	SUN TV	Weekend series
Chittamma, Telugu	GEMINI TV	Daily series
Swati, Telugu	GEMINI TV	Daily series
Bangaro Kodalu, Telugu	GEMINI TV	Daily series
Eshwari, Telugu	GEMINI TV	Daily series
Vaani Rani, Telugu	GEMINI TV	Daily series
Chikkamma, Kannada	UDAYA TV	Daily series
Yashodara, Sinhalese	MTV, Srilanka	Daily series
Mirchi Music Awards (Tamil, Telugu, Kannada, Malayalam)	Radio Mirchi	Award Event

#### Celebrity Cricket League (CCL)

Radaan has co-promoted the “Celebrity Cricket League (CCL)” launched in the year 2011. It holds around 17% ownership in the league. CCL is a cricketing tournament in T20 format, in its third season recently completed, it involved Telugu, Tamil, Kannada, Malayalam, Bhojpuri, Hindi, Marathi and Bengali film industries. The league has got national momentum, Star Network had bought the broadcast rights for this tournament which was telecasted live on eight channels across India.

#### Radaan Film and Television Academy (RAFTA)

The endeavor commenced last year in association with Anupam Kher's Actor Prepares, and now the institute is fully controlled by Radaan, with a complete revamped course structure. During the year more than 150 students have been successfully passed out from the institute. The students get trained in various disciplines of entertainment industry.

#### Content Repurposing

The company has a competitive advantage through its extensive and growing content library comprising over 10,000

hours, including Tamil, Telugu, Kannada and Malayalam. During the year the company has launched its own Youtube – Channels, hitherto depending only on content aggregators for online exploitation of the archived contents. Through this direct tie-up with Google, the company expects major growth in new media revenue. The company has also tied-up with broadcasting channels/ content aggregators for re-telecast of the archived contents.

#### Financial Overview

##### Revenues

The company has recorded 17.5 per cent drop in total revenue, from Rs.4013 lakhs in financial year 2011-12 to Rs.3310 lakhs in 2012-13.

##### Expenses

The operating expenses has also been fallen by 17 per cent from Rs.3630 lakhs in previous financial year to Rs.3004 lakhs in financial year 2012-13 .

The finance cost has been increased by 70 per cent from Rs.66.48 lakhs to Rs.112.83 lakhs in financial year 2012-13.

Depreciation and amortizations for the year was Rs.101.89 lakhs as compared to Rs.150.85 lakhs for the previous year, a drop by 32 per cent.

##### Profitability

At an EBIDTA margin of 9.23 per cent the company had earned Rs.305.44 lakhs during the year as compared to Rs.382.43 Lakhs at EBIDTA margin of 9.53 per cent in previous year.

The profit before tax has recorded a drop of 45 percent from Rs.165.10 lakhs in previous year to Rs.90.71 lakhs during the year.

The net profit margin has also dropped from 4.21 percent to 3.18 percent and the profit after tax was Rs.105.09 lakhs during the year.

EPS for the year was Re.0.19 as compared to Re.0.31 in previous year.

#### Internal Control System

There is a strong internal control culture in the company. Highest standard of internal control is ensured by regular audit by the Internal Auditors. The principal aim of internal control system is the management of business risks, with a view to enhance the value of shareholders' wealth and safeguarding assets. A reasonable assurance against material misstatement or loss is being obtained through the internal audit. The significant observations made in

internal audit reports on internal control deficiencies, if any, and the status on implementation of recommended remedial measures, are presented and reviewed by the Audit Committee of the Board.

## Human Resources

The company fosters a performance oriented work culture and offers amongst the best opportunities in the industry for professional as well as personal growth of its employees. Over the years the company has built up a strong human resource structure. The company has qualified and experienced team of professionals in Creative, Production, Marketing, Finance, Legal & Secretarial, HR & Administration etc.

## Infrastructure

Radaan has own post production facilities to serve its projects. These facilities comprise of seven edit suites including one film edit, five voice studios including one RR & FX and one exclusively for Ad posting and Final Mastering. Its hardware and software have been sourced from reputed international vendors like Sony, MAC, JVC, Steinberg, Protocols 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.

## SCOT Analysis

<b>Strengths:</b> a. Good HR, among others highly talented Creative Team b. State of the art infrastructure c. Successful Track Record in Tele-serials d. Brand Value e. Fully integrated operations	<b>Challenges:</b> a. Controlling cost of production b. Augmentation of customer base c. Dependence on limited people for creative content d. Retention of talent e. Non-availability of fully reliable viewership rating system
<b>Threats:</b> a. Non-availability of adequate skilled Technicians b. Low entry barriers c. Changing tastes of the viewers / audience d. Changing government policies e. Piracy	<b>Opportunities:</b> a. Growing no of channels b. Increased no of TV households / viewers c. Improved technology thereby increased access d. Increasing Indian Diaspora across the world e. Interest for exchange of culture between countries

## Risks and concerns

### Internal Risks

*Our relationship with industry participants may be a constraint for our success.* We depend on our relationships with broadcasting channels, mainly the SUN TV Network, marketing agencies and other industry participants to produce and exploit our television content. Any disputes with them could have a material adverse effect on our ability or willingness to produce and telecast our programs.

*The popularity and commercial success of our programs are subject to numerous factors, over which we may have limited or no control.* The production and distribution of entertainment content are inherently risky businesses, largely because the revenues derived from the production, distribution and sale or licensing of such content depend primarily on public acceptance, which is difficult to predict. We generate revenues from sale of advertising spots during telecast of our program, which by large depend on popularity of the program. Our failure to maintain the viewership could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations. The popularity of the Company's content depends on many factors, including, but not limited to, the key talent involved, the timing of telecast, the promotion and marketing of the program, the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment, general economic conditions, the genre and specific subject matter of the program, its critical acclaim and the breadth, timing and format of its initial release. If the Company is not able to create and distribute content that is popular with consumers and attractive to advertisers and affiliates, the Company's revenues and its results of operations could be adversely affected.

*Piracy of our content, including digital and internet piracy, may adversely impact our revenues and business.* Our business depends in part on the adequacy, enforceability and maintenance of intellectual property rights in the entertainment products and services we create. Piracy is extensive in many parts of the world. Technological developments have made it easier to create, transmit and distribute high quality unauthorized copies of content in unprotected digital formats. The proliferation of unauthorized copies and piracy of the Company's content, products and intellectual property could result in a reduction of the revenues that the Company receives from the legitimate sale, licensing and distribution of its content and products. The Company devotes substantial efforts to protecting its content, products and intellectual property, but there can be no assurance that the Company's efforts to enforce its rights and combat piracy will be successful.



## External Risk

*A decline in advertising expenditures or changes in advertising market conditions or other factors that adversely impact advertising could cause the Company's revenues and operating results to decline.* The Company derives substantial revenues from the sale of advertising spots, and a decrease in advertising expenditures overall or reduced demand for the Company's offerings could lead to a reduction. Expenditures by advertisers tend to be cyclical, reflecting general economic conditions, as well as budgeting and buying patterns. If the economic prospects of advertisers worsen, it could alter current or prospective advertisers' spending priorities. For example, corporate marketing cutbacks due to weak economic conditions could result in upfront advertising purchases being cancelled. Declines in consumer spending due to weak economic conditions could also indirectly negatively impact the Company's advertising revenues by causing downward pricing pressure on advertising because advertisers may not perceive as much value from advertising if consumers are purchasing fewer of their products or services. Advertising sales and rates are also dependent upon audience size, and advertisers' willingness to purchase advertising spots from the Company may be adversely affected by a decline in audience ratings, which may also dependant on audience measurement methodologies. The results of audience measurement techniques used by ratings firms can vary for a variety of reasons, including changes related to the statistical methods employed and new methods of viewing programming, which could have an adverse effect on the Company's advertising revenues.

*A downturn in the Indian and International economies or instability in financial markets, including increased Indian price inflation, could materially and adversely affect our results of operations and financial condition.* A sustained decline in economic conditions could result in closure or downsizing by, or otherwise adversely impact, industry participants on whom we rely for exploiting the content. In addition global financial turmoil affects negatively the Indian financial markets, which may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. An increase in inflation in India could cause a rise in the price of wages, particularly for Indian talent, or any other expenses that we incur. In such situation, the company may be unable to accurately estimate or control costs of production and it is unlikely the company would be able to pass all increased costs on to the customers, this could have a material adverse effect on the business prospects, financial condition and results of operations.

*The Company faces risks relating to increasing competition for entertainment, which has intensified in part due to technological developments and changes in consumer behaviour.* The Company's businesses compete with all other sources of entertainment, including news, other television programs, films, the internet, home video

products, videogames, social networking sites, sports, print media, live events and radio broadcasts. Technological developments, such as tablets and other portable electronic devices, video-on-demand, new video formats and Internet-delivered content, have increased the number of media and entertainment choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of entertainment choices available to consumers, including low-cost or free choices, new technologies that allow consumers to make and store digital copies of programming and the increasing availability of programming online, could negatively affect consumer demand for the Company's content and products, the prices content aggregators are willing to pay to license the Company's content and advertising rates and demand, which could reduce the Company's revenues and could also result in the Company incurring additional marketing expenses.

*The Company may be in the future, subject to claims of intellectual property infringement, which could have an adverse impact on the Company's businesses or operating results.* Successful challenges to the Company's intellectual property could require the Company to enter into royalty or licensing agreements on unfavourable terms, incur substantial monetary liability or be enjoined preliminarily or permanently from further use of the intellectual property in question. This could require the Company to change its business practices and limit its ability to compete effectively. If the Company is required to take any of these actions, it could have an adverse impact on the Company's businesses or operating results. Even if the Company believes that the claims of intellectual property infringement are without merit, defending against the claims can be time consuming and costly and divert management's attention and resources away from its businesses.

*The Company's businesses are subject to vast of rules and regulations, which could cause the Company to incur additional costs or liabilities or disrupt its business practices.* The Company's businesses are subject to a variety of laws and regulations. The Company could incur substantial costs to comply with new laws, regulations or policies or substantial penalties or other liabilities if it fails to comply with them. Compliance with new laws, regulations or policies also could cause the Company to change or limit its business practices in a manner that is adverse to its businesses. In addition, if there are changes in laws that provide protections that the Company relies on in conducting its business, it would subject the Company to greater risk of liability and could increase its costs of compliance.

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

Corporate Governance sets out the framework and process by which institutions, through their board of directors and senior management, regulate their business activities. These principles balance safe and sound business operations while complying with relevant laws and regulations. Your Board is committed to applying and maintaining high standards of corporate governance to safeguard and promote the interests of the shareholders and to enhance the long term value of the company. To this end, it 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 is in the continued pursuit of strengthening its governance practices and the company's compliance with the code is given below:

#### 1. Board of Directors

##### a) Composition of the Board of Directors

The Board consists of optimum combination of executive and nonexecutive/ independent directors. Present strength of the board is 5 (five) members. More than 50% of the board members are nonexecutive/ independent directors. All directors including the nonexecutive directors are suitably qualified, experienced and competent.

None of the directors are related to any other director, except Mr.R Sarathkumar and Mrs.R Radikaa Sarathkumar being spouse.

#### Mrs.R Radikaa Sarathkumar

Mrs.R Radikaa is holding degree in Home Science. She has remained well reputed actor throughout her career spanning more than three decades. She is one of the select few who have made both film and television careers very successful. She has acted in more than 300 films and a number of prime time television serials. She has won many awards including National Award, Film Fare Awards, Tamil Nadu State Award, Malaysian Film Association Award, for acting and contribution to the industry. She is also, as creative head of the company, taking care of entire pre-production work like selection of story, concept, artistes and other related matters.

#### Mr.R Sarathkumar

Mr.R Sarathkumar, is a Bachelor of Science in Mathematics. He has selected Acting as his profession and has acted in more than 100 films. Throughout his career, he has remained a very popular and leading cine actor. He is one of the most experienced personalities in the industry. He has won several awards, notable among them Tamil Nadu State Government Award for Best Actor, M.G.R. Award, Film Fare Awards, Cinema Express Awards, Kalaimamani Awards and several others. He is involved in operational management of the company. He is Honorary President of the South Indian Artistes Association. He has earlier remained a Hon'ble Member of Parliament. Recently he has been elected to the Tamil Nadu Legislative Assembly for the term 2011-16.

#### Mr.Arunachalam Krishnamoorthy

Mr.Arunachalam Krishnamoorthy is an M.A (Public Administration) and M.B.A with specialization in Financial and Personnel Management. He is also an Associate

Composition of the Board of Directors during financial year ended 31<sup>st</sup> March 2013:

Name and designation	Category	No of directorships held in other Companies#	No of committee positions held in other companies##	
			Member**	Chairman
Mrs.R.Radikaa Sarathkumar, Chairperson & Managing Director	Executive Director	--	--	--
Mr. R Sarathkumar, Director –Operations	Executive Director	--	--	--
Mr.P K Raghukumar, * Director	Non-executive Independent Director	2	--	--
Mr.Arunachalam Krishnamoorthy, Director	Non-executive Independent Director	5	5	5
Mr.J Krishna Prasad, Director	Non-executive Independent Director	--	--	--
Mr.V Selvaraj, Director	Non-executive Independent Director	4	4	4

\* Ceased to be a director with effect from 13<sup>th</sup> August 2012

# Directorships in Private Companies, Foreign Companies and Not for Profit Companies are excluded for this purpose.

## For this purpose Audit Committee, Shareholders/Investors' Grievance and Remuneration Committee held in above stated companies are only considered.

\*\* Includes the committees in which a director holds position as chairman.

Member of Indian Institute of Bankers. In his four decades of Banking experience, he held several territorial and functional senior posts. His wide experience and knowledge in Banking, enabled him to land his expertise as member of various Advisory Committees of Indian Banks Association, Reserve Bank of India etc. He has to his credit a lot of innovations like introducing credit card as a payment system and steering the activities of Self-Help Groups through Micro Finance. He has widely travelled and participated and presented papers at several International and National Seminars.

#### Mr.J Krishna Prasad

Mr.J Krishna Prasad is a Chartered Accountant by qualification with nearly 30 years of corporate experience. Has held various senior positions and the last two stints were as CFO of the organization. He is well experienced in all facets of the business function. He has taken up management consulting providing CFO/CEO and Board advisory services for emerging companies and CEO mentoring is his passion. He has held membership in various Expert Committees of the Madras Chamber of Commerce and Industry.

#### Mr.V Selvaraj

After having obtained the degree of Master of Arts in Economics from Loyola College, Chennai, Mr.V Selvaraj joined the Indian Administrative Service in 1964. During his career in Government, he held very important positions such as the Chairman of Madras Port Trust and later as the Secretary of the Industries Department in Tamil Nadu. He has been spending his retired life as a Business Consultant rendering Corporate Services and also serving as Director in the Board of Organisations.

#### b) Functioning of the Board and attendance by directors at meetings

The chairperson is responsible for Boards' effectiveness and conduct as well as having overall responsibility of operation, organisational effectiveness, formulation of strategies and implementation of policies and decisions. The non executive independent directors play a pivotal role in corporate accountability and provide unbiased and independent views and judgement to the Board's deliberation and decision making process. They ensure that the matters and issues brought up to the Board are fully discussed and examined, taking into account the interest of all stakeholders.

Your Board has full and unrestricted access to all information pertaining to the businesses and affairs of the company as well as services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary also ensures that the Board is supplied with all necessary information in a reliable and timely manner and acts as communication link between the Board, the Committees and the senior management. The Board may also seek external independent professional advice at the company's expense.

The Board meets at least once in every quarter and on other occasions as and when necessary. Officers in senior

management and external advisors are also invited to the board and committees meetings to provide necessary information on relevant agenda. The agenda papers normally get circulated prior to the meeting. The Company Secretary attends all board and committee meetings and ensures that proceedings of the meetings and resolutions passed thereat are properly recorded. Minutes of the meetings are circulated among the directors and committee members to provide an opportunity to review prior to confirmation.

During the financial year four (4) board meetings were held on 29<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 6<sup>th</sup> November 2012 and 13<sup>th</sup> February 2013.

Directors' attendance:

Name	Last AGM	No of board meetings
Ms. R. Radikaa Sarathkumar	Yes	4
Mr.R.Sarathkumar	No	3
Mr. P. K. Raghu Kumar	N. A.	NIL
Mr.A Krishnamoorthy	No	4
Mr.J Krishna Prasad	Yes	4
Mr.V Selvaraj	Yes	4

#### c) 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](http://www.radaan.tv). Board members and senior management staff have confirmed compliance with the code for the year ended 31<sup>st</sup> March 2013. The Annual report contains a declaration to this effect signed by the Chairperson & Managing Director.

#### d) Insider Trading

In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has framed a code of conduct.

### 2. Board Committees

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the following committees. The committees deliberate in greater detail and examine the issues within their terms of reference as set out by the Board and make the necessary recommendations to the Board which retains full responsibility.

#### a) Audit Committee

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment / removal of statutory auditors



and fixing their remuneration, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, recommending appointment and remuneration of internal auditors, reviewing findings in the internal audit report, discussing the scope of audit with auditors.

During the financial year the Audit Committee has met four (4) times, on 29<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 6<sup>th</sup> November 2012 and 13<sup>th</sup> February 2013. Minutes of each Audit Committee meeting were placed before the board and discussed. The Chief Executive Officer, Chief Financial Officer and representatives of Internal Auditors and Statutory Auditors were also invited to the meetings. Company Secretary acts as secretary to the committee.

Composition of the Audit Committee and attendance during the financial year:

Name	Designation	No of meetings attended
Mr.A Krishnamoorthy	Chairman	4
Mr.P K Raghukumar*	Member	NIL
Mr.R Sarathkumar	Member	3
Mr.J Krishnaprasad	Member	4
Mr.V Selvaraj**	Member	2

\* Ceased to be member with effect from 13<sup>th</sup> August 2012

\*\* Inducted to the committee at the board meeting held on 14<sup>th</sup> August 2012

All the members of the Audit committee are financially literate, and the Chairman is equipped with sound knowledge in financial management and accounting.

#### b) Shareholders/Investors Grievances committee

The Shareholders/Investors Grievance Committee specifically looks into redressing of Shareholders and investors' complaints. The Committee also oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.

During the year the committee has met only once, on 29<sup>th</sup> May 2012, reviewed the redressal of shareholders grievances upto 31<sup>st</sup> March 2012 and expressed it's satisfaction.

Composition of the Shareholders' Grievances Committee and attendance during the year:

Name	Designation	No of meetings attended
Mr.P K Raghukumar*	Chairman	NIL
Mr.R Sarathkumar	Member	1
Mr.J Krishnaprasad	Member	1
Mr.V Selvaraj**	Member	N. A.

\* Ceased to be member with effect from 13<sup>th</sup> August 2012

\*\* Inducted to the committee at the board meeting held on 14<sup>th</sup> August 2012

Chairman of the committee is a nonexecutive independent director. As on closure of the year under report, no complaint was pending.

Name, Designation and address of Compliance Officer:

Mr. Kanhu Charan Sahu

Company Secretary & Compliance Officer

No.10, Paul Appasamy Street, T Nagar, Chennai –17

Phone – 04428345032; Fax – 04428345031

Email for investor grievances – investors@radaan.tv

#### c) Remuneration Committee

The committee is entrusted with the role and responsible of reviewing and recommending payments to executive directors. At present the committee comprises of three (3) nonexecutive independent directors. During the year the committee has met only once, on 14<sup>th</sup> August 2012.

Composition of the Remuneration Committee and attendance during the year:

Name	Designation	No of meetings attended
Mr.A Krishnamoorthy	Chairman	1
Mr.P K Raghukumar*	Member	NIL
Mr.J Krishnaprasad	Member	1
Mr.V Selvaraj**	Member	1

\* Ceased to be member with effect from 13<sup>th</sup> August 2012

\*\* Inducted to the committee at the board meeting held on 14<sup>th</sup> August 2012

The company follows market linked remuneration policy which is aimed to attract, retain, motivate and incentivise the best talents in the industry /organisation. Whole-time executive directors only receive regular remuneration. Mrs.R Radikaa Sarathkumar is not entitled to any remuneration as Managing Director, she receives professional fees only for rendering services as Actor / Creative Head. The non-executive directors are incentivized by payment of sitting fees for attending board / committee meetings.

Details of payments to the directors for financial year ended 31<sup>st</sup> March 2013:

Name	Professional Fees / Remuneration in (Rs)	Sitting fees in (Rs)
Ms. R. Radikaa Sarathkumar	1,81,50,000	NIL
Mr.R.Sarathkumar	21,00,000	NIL
Mr. P. K. Raghu Kumar	NIL	NIL
Mr.A Krishnamoorthy	NIL	1,30,000
Mr.J Krishna Prasad	NIL	1,40,000
Mr.V Selvaraj	NIL	1,10,000

### 3. General Body Meeting

#### a) Details of last three Annual General Meeting:

Year	Date	Time	Venue
2012	17 <sup>th</sup> September 2012	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai
2011	7 <sup>th</sup> September 2011	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai
2010	28 <sup>th</sup> September 2010	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai

#### b) Details of the special resolution passed at the above stated meeting:

##### At the Annual General Meeting held on 17<sup>th</sup> September 2012

- Approval for reappointment of Mrs. R Radikaa Sarathkumar as Chairperson & Managing Director for further period from 18<sup>th</sup> September 2012 to 31<sup>st</sup> March 2016
- Approval of overall limit of professional fees to be paid to Mrs. R Radikaa Sarathkumar during financial year 2013-14, 2014-15 and 2015-16
- Approval for reappointment of Mr. R Sarathkumar as Whole-time Director for further period of three years with effect from 1<sup>st</sup> April 2013

##### At the Annual General Meeting held on 7<sup>th</sup> September 2011

- Approval for increase in remuneration of Mr. R Sarathkumar, Whole-time Director

##### At the Annual General Meeting held on 28<sup>th</sup> September 2010

- Approval for reappointment of Mr. R Sarathkumar as Whole-time Director for three years with effect from 1<sup>st</sup> April 2010
- Approval for reappointment of Mr. R Santhanam as Whole-time Director from 1<sup>st</sup> April 2010 to 9th June 2010
- Approval for payment of remuneration to Mrs. R Radikaa, Chairperson & Managing Director for professional services during financial year 2010-11, 2011-12, 2012-13

### 4. Disclosures:

#### a) Related party transactions

In the normal course of business, the company enters into transactions with related parties. The transactions are done at arm's length. Please refer "Related Parties Disclosure" under notes to the financial statements for details. None of the transactions was in conflict with interests of company.

#### b) Compliances by the company

The company has taken enough care to comply with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities. No penalties were imposed on any matter related to capital market during last three financial years.

#### c) Whistle Blower Policy

Though there is no formal Whistle Blower Policy, the company takes cognizance of complaints made and suggestions provided by employees. No employee of the company was denied access to the Audit Committee.

#### d) Management Discussion and Analysis

A detailed Management Discussion and Analysis is published as a part of the Annual Report.

#### e) CEO/ CFO Certification

Copy of the certificate submitted to the Board by the Chairperson & Managing Director and the Chief Financial Officer under Clause 49 of the Listing Agreement is included in this Annual Report.

### 5. Means of Communication

The financial results of the Company were published in English and Tamil Newspapers, posted on the Company's website [www.radaan.tv](http://www.radaan.tv) and also disbursed through NSE and BSE.

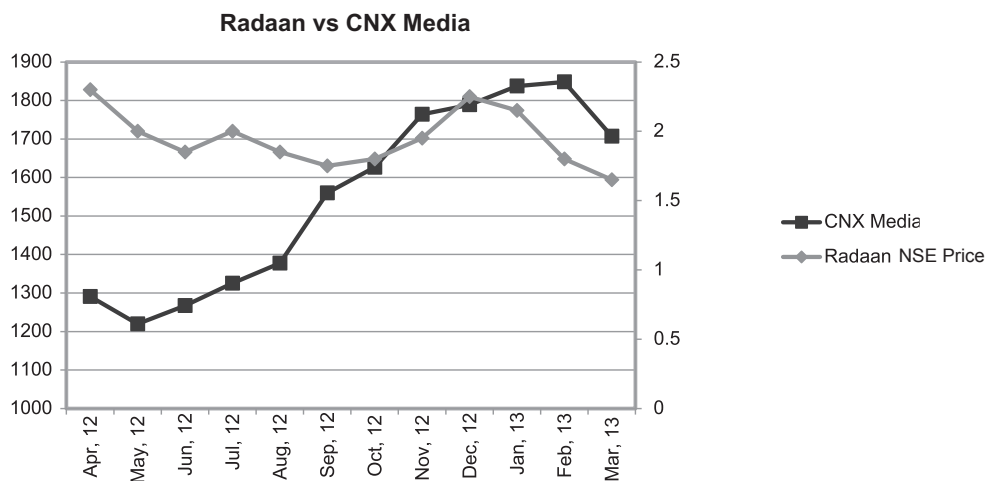
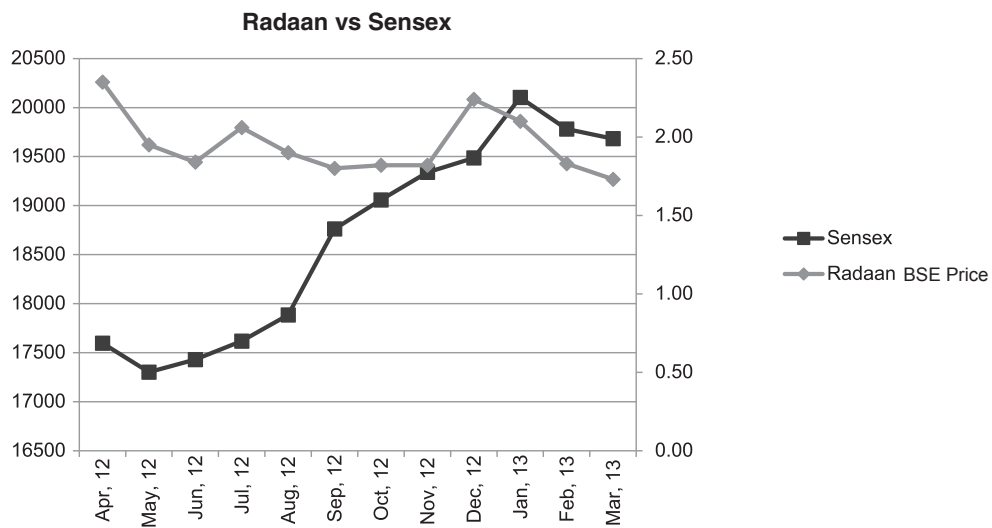
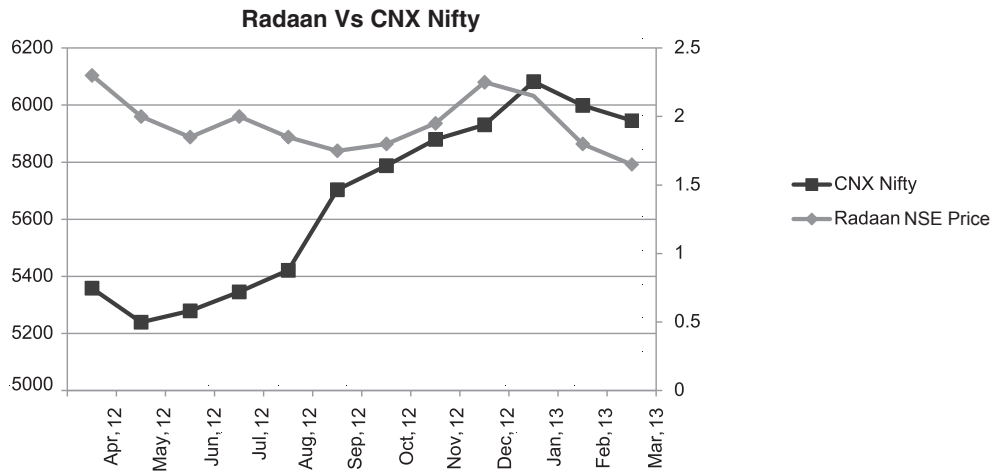
## 6. General Shareholders Information

- a) Date, time and venue of Annual General Meeting : Friday, 27<sup>th</sup> September 2013, 10.00 a.m., Madras Race Club, Guindy, Chennai - 600032
- b) Financial Calendar 2012-13 :  
i. First quarter (April – June) Result – by second week of August 2013  
ii. Second quarter (July – September) Result – by second week of November 2013  
iii. Third quarter (October – December) Result – by second week of February 2014  
iv. Fourth quarter (January – March) Result – by fourth week of May 2014
- c) Date of Book Closure : 26<sup>th</sup> September 2013 to 27<sup>th</sup> September 2013 (both days inclusive)
- d) Dividend payment date : No dividend is recommended
- e) Listing on Stock Exchanges : Shares of the company are listed in –  
i. The National Stock Exchange of India Limited (NSE)  
ii. Madras Stock Exchange Limited
- Shares of the company are also traded in the Bombay Stock Exchange Limited (BSE) under permitted category
- f) Stock Code : BSE – 590070  
NSE – RADAAN  
MSE - RADAAN
- g) Listing Fees : Annual Listing Fees for the year 2013-14 has been paid to the Stock Exchanges
- h) Registered Office/Address for communication : No.10, Paul Appasamy Street, T.Nagar, Chennai - 600 017. India.  
Phone – 04428345032; Fax – 04428345031
- i) Stock Market Data :  
Monthly high and low quotations as well as the volume of shares traded at NSE and BSE from April 2012 to March 2013:

PERIOD	BSE			NSE		
	High Price (Rs.)	Low Price (Rs.)	No. of Shares traded	High Price (Rs.)	Low Price (Rs.)	No. of Shares traded
April, 2012	2.45	1.52	1,04,480	2.60	1.80	1,53,111
May, 2012	2.23	1.57	32,959	2.15	1.60	1,35,989
June, 2012	2.10	1.60	58,721	2.00	1.55	1,05,680
July, 2012	2.15	1.65	85,617	2.35	1.65	3,13,673
August, 2012	2.05	1.45	82,018	1.90	1.45	1,86,266
September, 2012	1.80	1.41	1,00,441	2.05	1.50	1,62,274
October, 2012	1.98	1.61	38,939	1.85	1.60	1,12,829
November, 2012	2.15	1.56	1,36,586	2.10	1.60	3,51,888
December, 2012	2.45	1.70	2,39,565	2.55	1.60	5,81,758
January, 2013	2.40	1.72	1,08,672	2.15	1.75	2,85,553
February, 2013	1.92	1.40	1,15,918	1.90	1.45	1,75,085
March, 2013	1.75	1.25	13,75,258	1.70	1.30	1,67,006

Sources: www.bseindia.com; www.nseindia.com

j. Performance in comparison to Stock Exchange Indexes (closing high)





- k) Registrar & Share Transfer Agent : M/s. Cameo Corporate Services Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai – 600002  
Phone No.+91-44-28460390/91/92/93/94  
Fax No. +91-44-2846 0129  
e-mail – cameo@cameoindia.com

l) Share Transfer System

Transfer of shares held in electronic form is done through depositories without involvement of the company. In case of transfer of share held in physical form, the transfer documents can be lodged with the company's Registrar and Share Transfers Agents at the given address. If the documents lodged are complete in all respects, transfer of shares held in physical form, are normally effected within 15 days from the date of lodgment.

m) Shareholdings as on 31<sup>st</sup> March 2013

(i) Distribution of shareholding:

No. of Equity shares held	No. of shareholder accounts/ folios	% of total shareholder accounts/ folios	No. of shares	% of total holding
Upto 2500	10665	88.779	6122701	11.305
2501 – 5000	712	5.927	2784132	5.140
5001 – 10000	342	2.847	2658553	4.908
10001 – 15000	103	0.857	1284968	2.372
15001 – 20000	53	0.441	947617	1.750
20001 – 25000	27	0.225	631290	1.166
25001 – 50000	68	0.566	2371243	4.378
50001 and above	43	0.358	37361036	68.981
Total	12013	100.000	54161540	100.000

(ii) Category-wise Shareholding Pattern:

Category	No of shares	Voting Strength (%)
Promoters & Promoters Group	2,78,49,790	51.42
Foreign Institutional Investors	1,50,000	0.28
Bodies Corporate	73,36,225	13.54
NRI/ OCBs/ Foreign Nationals	2,35,990	0.43
Individuals and others general public	1,85,89,535	34.33
TOTAL	5,41,61,540	100.00

(iii) Shareholding by directors/ promoters and their relatives:

Name	Number of shares	Percentage
Mrs. R Radikaa Sarathkumar	2,78,49,790	51.42
Mr.R Sarathkumar	Nil	0
Mr.A Krishnamoorthy	Nil	0
Mr.J Krishna Prasad	Nil	0
Mr. V Selvaraj	Nil	0
Total	2,78,49,790	51.42

n) Dematerialization of Shares and Liquidity

Equity shares of the company are regularly traded on NSE and BSE in electronic form. As on 31<sup>st</sup> March 2013 total no of shares in dematerialized form was 5,39,84,964 representing 99.67% of the total share capital. These shares are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depositories Services (India) Limited. The International Securities Identification Number (ISIN) allotted to equity shares of the company is INE874F01027.

o) Green Initiative in Corporate Governance

Ministry of Corporate Affairs ("MCA") vide its circulars dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 has taken a "Green Initiative in the Corporate Governance", thereby allowing companies to serve documents to its

shareholders through electronic mode. Your Company supports the initiative for environment conservation. Accordingly, henceforth, documents such as notices of general meeting(s), annual report and other communications to the shareholders shall be sent through e-mail. Please note that all such documents shall be available on the Company's website [www.radaan.tv](http://www.radaan.tv) and shall also be kept open for inspection at the registered office of the Company during office hours.

p) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

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.

q) Plant Locations

The Company is into Media and Entertainment Industry and operates from its Registered office at No.10, Paul Appasamy Street, T. Nagar, Chennai – 600017

For and on behalf of the Board of Director  
-sd-

Chennai R Radikaa Sarathkumar  
14<sup>th</sup> August 2013 Chairperson & Managing Director

**Declaration regarding adherence to the Code of Conduct**

This is to confirm that the company had adopted a Code of Conduct for its board members and senior employees including the Managing Director and Executive Directors. The Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

-sd-

Chennai R.Radikaa Sarathkumar  
14<sup>th</sup> August 2013 Chairperson & Managing Director

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined compliance of conditions of Corporate Governance by M/s.Radaan Mediaworks India Limited for the year ended 31<sup>st</sup> March, 2013 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 statement 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 above mentioned 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  
F.R.No.004915S

-sd-

C N GANGADARAN  
Partner  
Memb.No.11205

Place : Chennai  
Dated : 23<sup>rd</sup> May 2013

**Certification by Chairperson & Managing Director and Chief Financial Officer**

To,  
The Board of Directors,  
Radaan Mediaworks India Limited

We, R Radikaa Sarathkumar, Chairperson & Managing Director and M. Kaviramani, Chief Financial Officer of M/s. Radaan Mediaworks India Limited, certify that:

- We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2013 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with applicable accounting standards, laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. This is monitored by Internal Audit, which encompasses the examination and evaluation of the adequacy and effectiveness of internal control systems of the company pertaining to financial reporting. Internal Audit works with all levels of management, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- We indicate to the Auditor and the Audit committee:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

-sd-

R. Radikaa Sarathkumar  
Chairperson & Managing Director

-sd-

M. Kaviramani  
Chief Financial Officer

Chennai  
23<sup>rd</sup> May 2013

## INDEPENDENT AUDITORS' REPORT

To the Members of RADAAN MEDIAWORKS INDIA LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of RADAAN MEDIAWORKS INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For CNGSN & ASSOCIATES  
Chartered Accountants  
F.R.No.004915S  
-sd-

C N GANGADARAN  
Partner  
Memb.No.11205

Place : Chennai  
Dated : 23<sup>rd</sup> May 2013

## Annexure to the Auditor's Report

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of RADAAN MEDIAWORKS INDIA LIMITED on the accounts for the year ended 31st March 2013.

1. (a) The company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has done a physical verification of its fixed assets during the year. Material discrepancies between the book balance and physical verification have been properly dealt with in the books of accounts.
- (c) No substantial part of the fixed assets has been disposed off during the year and the going concern status of the company is not affected.
2. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.
3. The company has neither taken nor given loans, during the year secured or unsecured from/to companies, firms 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 explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regards to purchase of fixed assets and income from operations.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
  - (a) In our opinion, and according to the information and explanation 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 explanation given to us, the transaction 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 provision 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 cost records under 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) Unpaid disputed taxes are as follows.

Nature of Dues	Amount Rs.	Period to which the amount relates (Financial year)	Forum where dispute is pending
Service tax	19,30,27,340	Oct 2004 Sep 2007	CESTAT, Chennai
	4,68,55,299	Oct 2007 – Sep 2010	-do-
Sales tax	48,40,18,098	April 2001 – March 2006	Rs.2,28,60,665 before Appellate Deputy Commissioner (CT) Rs.46,11,57,433 – interim stay granted by Hon'ble High Court of Madras.



10. The accumulated losses of the company are not more than 50% of net worth. The company has not incurred cash losses in the current year and 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. In our opinion and according to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us by the management, the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of Companies (Auditors Report) Order 2003 is not applicable.
19. The company has not issued any debentures during the year and therefore the question of creation of securities does not arise.
20. During the year, the company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.
21. According to the information and explanations 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  
F.R.No.004915S

-sd-

Place: Chennai  
Date: 23<sup>rd</sup> May 2013

C.N.Gangadaran  
Partner  
Memb.No.11205

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2013

PARTICULARS	NOTE	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	10,83,23,080	10,83,23,080
(b) Reserves and Surplus	2.2	6,15,29,161	5,10,19,832
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowings	2.3	19,26,024	13,72,380
(b) Deferred Tax Liabilities	2.4	60,33,656	74,71,570
(c) Other Long term Liabilities	2.5	7,04,74,641	6,13,69,055
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	2.6	6,21,21,220	5,13,13,794
(b) Trade Payables	2.7	85,93,022	1,13,90,590
(c) Other Current Liabilities	2.8	1,15,26,761	1,00,54,259
<b>Total</b>		<b>33,05,27,565</b>	<b>30,23,14,560</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.9	3,44,31,878	3,80,33,850
(ii) Intangible Assets	2.9	9,00,000	28,00,000
(iii) Capital Work-in-progress	2.9	--	11,50,000
(b) Non-Current Investments	2.10	75,06,044	75,06,000
(c) Long-term Loans and Advances	2.11	6,34,00,028	5,93,44,150
(d) Other Non-Current Assets	2.12	9,48,66,677	8,54,00,645
<b>(2) Current Assets</b>			
(a) Inventories	2.13	2,66,10,428	2,15,34,792
(b) Trade Receivables	2.14	9,49,88,641	7,29,28,504
(c) Cash and Cash equivalents	2.15	52,10,811	89,73,891
(d) Short-term loans and advances	2.16	26,13,058	46,42,728
(e) Other Current Assets	2.17	--	--
<b>Total</b>		<b>33,05,27,565</b>	<b>30,23,14,560</b>
Significant accounting policies and notes on accounts 1 & 2			

On behalf of the Board of Directors

As per our report attached  
For CNGSN & ASSOCIATES  
Chartered Accountants  
F.R.No.004915S

-sd-  
**R. Radikaa Sarathkumar**  
Chairperson & Managing Director

-sd-  
**A.Krishnamoorthy**  
Director

-sd-  
**C.N. GANGADARAN**  
Partner  
Memb.No.: 11205

-sd-  
**M.Kaviramani**  
Chief Financial Officer  
Place : Chennai  
Date : 23<sup>rd</sup> May 2013

-sd-  
**Kanhu Charan Sahu**  
Company Secretary

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013

PARTICULARS	NOTE	YEAR ENDED 31-03-2013 Rs.	YEAR ENDED 31-03-2012 Rs.
<b>INCOME</b>			
Income from television shows & distribution margin	2.18	31,99,98,228	39,90,87,027
Other Income	2.19	1,09,68,436	21,87,820
<b>Total Income - A</b>		<b>33,09,66,664</b>	<b>40,12,74,847</b>
<b>EXPENDITURE</b>			
Expenses on Tele-serials, events etc.,	2.20	27,44,11,021	32,51,15,976
Changes in Inventories & Work-in-progress	2.21	-1,80,58,886	34,00,058
Employee Benefit Expenses	2.22	1,74,79,593	1,22,82,184
Other expenses	2.23	2,65,90,692	2,22,33,822
Finance Cost	2.24	1,12,83,522	66,48,249
Depreciation and amortization Expenses	2.09	1,01,89,306	1,50,84,532
<b>Total Expenditure - B</b>		<b>32,18,95,248</b>	<b>38,47,64,821</b>
Profit Before Exceptional and Extraordinary Items & Tax (A - B)		90,71,415	1,65,10,026
Exceptional Items		--	--
Profit Before Extraordinary Items		90,71,415	1,65,10,026
Extraordinary Items		--	--
Profit Before Tax		90,71,415	1,65,10,026
Tax Expenses : (1) Current Tax		--	3,13,503
(2) Deferred Tax		-14,37,914	-7,06,281
Profit After Tax		1,05,09,329	1,69,02,804
Earnings per Equity Share:	2.25		
(1) Basic		0.19	0.31
(2) Diluted		0.19	0.31
Significant accounting policies and notes on accounts 1 & 2			

**On behalf of the Board of Directors**

-sd-  
**R. Radikaa Sarathkumar**  
Chairperson & Managing Director

-sd-  
**A.Krishnamoorthy**  
Director

**As per our report attached  
For CNGSN & ASSOCIATES  
Chartered Accountants  
F.R.No.004915S**

-sd-  
**M.Kaviramani**  
Chief Financial Officer  
Place : Chennai  
Date : 23<sup>rd</sup> May 2013

-sd-  
**Kanhu Charan Sahu**  
Company Secretary

-sd-  
**C.N. GANGADARAN**  
Partner  
Memb.No.: 11205

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	YEAR ENDED 31-03-2013 in Rupees		YEAR ENDED 31-03-2012 in Rupees	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before Tax		90,71,415		1,65,10,025
Add: Finance Charges	1,12,83,522		66,48,249	
Depreciation	1,01,89,306		1,50,84,532	
Loss on sale of fixed assets	17,83,062	2,32,55,890	--	2,17,32,781
		3,23,27,306		3,82,42,806
Less: Interest Received	--		246	
Dividend Received	3,300		3,300	
Profit on sale of Fixed Assets / Shares	22,00,000		14,49,392	
		22,03,300		14,52,938
Operating Profit before Working Capital Changes		3,01,24,006		3,67,89,868
(Increase) / Decrease in Inventories & Work In Progress	(50,75,636)		90,18,309	
(Increase) / Decrease in Trade Receivables	(2,20,60,137)		(2,20,61,033)	
(Increase) / Decrease in Value of FCT's/Teleserial rights and staff benefit plans	(94,66,032)		(1,61,56,677)	
(Increase) / Decrease in Loans & Advances	(40,55,878)		(1,02,55,282)	
(Increase) / Decrease in Short term Loans & Advances & Other Current Assets	20,29,669		(34,52,732)	
Increase / (Decrease) in Marketing advance & Staffs Plan obligations	91,05,586		(38,09,777)	
Increase / (Decrease) in Current Liabilities	(13,25,110)	(3,08,47,537)	(47,37,854)	(5,14,55,046)
Cash Generated from Operating Activities (A)		<b>(7,23,532)</b>		<b>(1,46,65,178)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Cash Outflow				
Purchase of Fixed Assets	81,00,396		50,28,431	
Investment	--		25,00,000	
Cash Inflow				
Sales proceeds from Fixed Assets / Shares	49,80,000		34,08,575	
Interest Received	--		246	
Dividend Received	3,300		3,300	
Net Cash from Investing Activities ( B )		<b>(31,17,096)</b>		<b>(41,16,310)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase / (Decrease) in Share Capital	--		--	
Increase / (Decrease) in Bank Borrowings	1,08,07,426		1,89,44,583	
Increase / (Decrease) in Other Secured Loans	5,53,644		2,72,297	
Finance Charges	(1,12,83,522)		(66,48,249)	
Net Cash from Financing Activities ( C )		<b>77,548</b>		<b>1,25,68,631</b>
Net Increase in Cash & Cash Equivalents (A+B+C)		<b>(37,63,080)</b>		<b>(62,12,857)</b>
Cash & Cash Equivalents at the beginning of the year		89,73,891		1,51,86,748
Cash & Cash Equivalents at the end of the year		52,10,811		89,73,891
Net Increase / (Decrease) in Cash & Cash equivalents		<b>(37,63,080)</b>		<b>(62,12,857)</b>

**Note:**

- 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.

**On behalf of the Board of Directors**

-sd-

**R. Radikaa Sarathkumar**

Chairperson & Managing Director

-sd-

**A. Krishnamoorthy**

Director

-sd-

**M. Kavirmani**

Chief Financial Officer

-sd-

**Kanhu Charan Sahu**

Company Secretary

**As per our report attached  
For CNGSN & ASSOCIATES  
Chartered Accountants  
F.R.No.004915S**

-sd-

**C.N. GANGADARAN**

Partner

Memb.No. 11205

Place: Chennai

Date : 23<sup>rd</sup> May 2013



## **SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:**

### **1. 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:**

1. Depreciation on Fixed Assets, other than Computer, Camera equipment, 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 and Camera equipment depreciation is provided on Written down Value Method at the rate of 25%.
2. 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.
3. Intangible assets in the nature of copyrights etc., are amortized over a period of 5 years.
4. Improvements effected on premises taken on lease are amortized over remaining period of lease.
5. 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.
6. Cost of Tele-Serials / Tele-Films / Events / 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.
7. Cost of film production:

In the case of exploitation rights assigned on an Outright / Minimum Guarantee basis:-

- Entire expenditure incurred for production of the film is charged to the profit & loss account.

In the case of exploitation rights held for own release or assigned on distribution basis or with a combination of outright, minimum guarantee and distribution basis:-

- Expenditure incurred for the production of the film is charged to profit & loss account equally over the period of 3 financial years commencing from the date of release of the film(s).

#### **d. Inventories / Value of Unsold FCTs and Work-in-progress:**

Stock of unused cassettes, unsold free commercial times banked on programs telecasted are valued at cost. Work-in-progress is calculated based on absorption method valued at cost or market price whichever is less.

#### **e. Revenue Recognition:**

##### **Television content:**

Income from Tele-Serials / Tele-Films / Game shows / Events 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 program.
- In case of overseas telecast, Revenue is recognized at the point, when the tapes are delivered.

##### **Film – own production:**

- In the case of outright / minimum guarantee assignment:
  - Income is recognized on accrual basis as per terms of agreement entered into for release / exploitation.
- In the case of own exploitation / Distribution assignment:
  - Income is recognized on receipt basis during the period of receipt.

**Film – Distribution:**

Distribution margin income is recognized on accrual basis as per terms of agreement entered into for release / exploitation.

**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 gain / loss is recognized / written off in the Profit & Loss Account accordingly.

**g. Investments**

The long term investments are shown at cost in accordance with AS-13 –Accounting for Investments.

**h. Leave Encashment:**

Company has formalized the existing rules for leave encashment under a scheme administered by Life Insurance Corporation of India. The contributions will be made annually based on leave credit available to the employees at the end of each financial year and the Company will report its status in accordance with AS – 15 Employees Benefits issued by the Institute of Chartered Accountants of India.

**i. Retirement Benefits:**

Company formed a trust named 'Radaan Mediaworks India Limited Employees Group Gratuity Assurance Scheme' for the benefit of the employees and to administer the funds in respect of gratuity of employees with intent to enter into a approved scheme of group gratuity with Life Insurance Corporation of India. The contributions will be made through trust and the Company will report its status in accordance with AS – 15 – Employee Benefits issued by the Institute of Chartered Accountants of India.

**j. 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 shares (including Bonus Shares, if any) during the accounting period.

**k. 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.

**l. Impairment of Assets**

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

**m. Accounting for media receivables**

The Company has formulated a system of evaluating receivables and advances lying with marketing agencies and other significant vendors and assessing their viability from a mark to market perspective.

**n. Provisioning for unsold FCTs**

The Company has decided to provide as a conservative measure, a minimum of 1% on total value of sales related to Free Commercial Time (FCT) with a view to accommodate the risk involved in the value on liquidation of unsold FCTs held.

**o. 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.

## 2. NOTES

PARTICULARS	AS AT 31.03.2013 (In Rs.)	AS AT 31.03.2012 (In Rs.)
<b>2.1 Share Capital</b>		
<u>Authorised Capital</u>		
5,57,50,000 Equity Shares of Rs.2/- each	11,15,00,000	11,15,00,000
<u>Issued Capital</u>		
5,42,29,040 Equity Shares of Rs.2/- each	10,84,58,080	10,84,58,080
<u>Subscribed &amp; Paid-up Capital</u>		
5,41,61,540 Equity Shares of Rs. 2/- each	<b>10,83,23,080</b>	<b>10,83,23,080</b>
Of the Above:		
- 58,73,890 Shares of Rs.10 each (since subdivided) allotted for consideration other than cash as fully Paid-up		
- 6,19,898 equity shares of Rs.10 each (since subdivided) allotted as fully Paid-up Bonus Shares by way of capitalisation of profits.		
- The Company has only one class of shares referred to as equity shares having a par value of Rs.2/- each. The equity share holders are entitled to one vote per share.		
- The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31,2012 is set below:		
Shares outstanding at the beginning & end		
Number of shares	5,41,61,540	5,41,61,540
Amount	10,83,23,080	10,83,23,080
- Shares held by each shareholder holding more than 5 % shares is as follows:		
Mrs.R.Radikaa Sarathkumar	2,78,49,790 shares	2,78,49,790 shares
<b>2.2 Reserves &amp; Surplus</b>		
Securities Premium Reserve - on Equity Shares - A	7,53,65,634	7,53,65,634
<u>Surplus</u>		
Opening Balance	-2,43,45,802	-4,12,48,606
Add : Net profit after tax transferred from statement of Profit & Loss	1,05,09,329	1,69,02,804
Closing Balance - B	-1,38,36,473	-2,43,45,802
<b>Total (A+B)</b>	<b>6,15,29,161</b>	<b>5,10,19,832</b>
<b>2.3 Long Term Borrowings</b>		
Term Loans		
Secured		
From Banks		
- Vehicle	19,26,024	8,64,380
- Equipment	--	5,08,000
Secured by hypothecation of respective assets together with personal guarantee of Chairperson & Managing Director to be repaid over 36 equated monthly instalments.		
	<b>19,26,024</b>	<b>13,72,380</b>
<b>2.4 Deferred Tax Liability</b>		
The Net Deferred Tax Liability comprise of the following :		
Opening Deferred Tax Liability	<b>Total A</b>	<b>74,71,570</b>
Depreciation on Fixed Assets	56,87,424	68,75,287
Amortisation of Teleserial cost	3,46,233	5,96,283
Closing Deferred Tax Liability	<b>Total B</b>	<b>60,33,656</b>
Net Deferred Tax Liability Reversed	<b>Total (A-B)</b>	<b>14,37,914</b>
		<b>7,06,281</b>

The details of deferred tax liability reversal for the year are as follows:	AS AT 31.03.2013		AS AT 31.03.2012	
	Depreciation on Fixed Assets	Amortisation of Teleserial cost	Depreciation on Fixed Assets	Amortisation of Teleserial cost
As per Books of account	1,01,89,306	2,97,48,868	1,50,84,532	2,70,41,604
As per Income tax Act	66,94,565	2,90,13,210	77,22,073	3,23,26,154
Total ( A - B )	34,94,741	7,35,658	73,62,459	(52,84,550)
Reversal of Deferred Tax Liability for the year	11,87,863	2,50,050	25,02,500	(17,96,219)
Net Deferred Tax Liability Reversed	14,37,914		7,06,281	

PARTICULARS	AS AT 31.03.2013 (In Rs.)	AS AT 31.03.2012 (In Rs.)
<b>2.5 Other Long Term Liabilities</b>		
a) Advances received for film line production	2,18,24,640	2,18,24,640
b) Gratuity & Leave encashment Obligation - Refer Note 2.29 & 2.30	19,23,319	14,47,185
The advances received from customers on assignment of rights for sale of Free commercial time for various tele-serials are set out hereunder:		
i) Advances received from Costumers	4,67,26,682	3,80,97,230
	<b>7,04,74,641</b>	<b>6,13,69,055</b>
<b>2.6 Short Term Borrowings</b>		
Secured		
Credit Limits from Bank	6,21,21,220	5,13,13,794
Secured by way of first charge on the Book Debts, Stock in trade including movable properties of the company and additionally secured by mortgage of immovable properties & Pledge of equity shares held by Chairperson & Managing Director together with personal guarantee.		
	<b>6,21,21,220</b>	<b>5,13,13,794</b>
<b>2.7 Trade Payables</b>		
Sundry creditors for expenses	85,93,022	1,13,90,590
	<b>85,93,022</b>	<b>1,13,90,590</b>
<b>2.8 Other Current Liabilities</b>		
Current Maturities of long-term debts		
From Banks		
- Vehicle	26,16,828	7,47,132
- Equipment	5,08,001	8,76,000
Salaries & other employee's Benefits	31,24,829	16,23,132
Provision for Expenses	16,59,340	15,37,200
Retention Money	5,59,035	5,20,510
Withholding & other taxes Payable	50,000	50,000
Advances received from distributors / suppliers	26,31,993	25,45,647
Telecast fee and shares subscription# payable	27,50,000	37,50,000
(#Wholly owned subsidiary)	7,51,564	27,770
	<b>1,15,26,761</b>	<b>1,00,54,259</b>
<b>2.10 Non Current Investments</b>		
Long Term Investment - at cost		
Trade - Unquoted		
- Investments in equity instruments - Refer Note 2.26	75,00,000	75,00,000
7,50,000 equity shares of Rs.10/- each in Celebrity Cricket League Private Limited		
- Investments in equity instruments - Refer Note 2.27	44	--
Wholly owned subsidiary company at Singapore		
1 equity share of Sing Dollar 1/- each in Radaan Media Ventures Pte Limited		
Others - Quoted		
- Investments in equity instruments		
600 equity shares of Rs.10/- each in Andhra Bank	6,000	6,000
Market value as on 29.03.2013 is Rs.56,790/- (Previous year - Rs.70,200)	<b>75,06,044</b>	<b>75,06,000</b>



## 2.9. FIXED ASSETS SCHEDULE UNDER THE COMPANIES ACT, 1956

(In Rupees)

Sl. NO	Particulars	Rate of Deprecia- tion	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 01.04.2012	Addi- tions	Deletions	As on 31.03.2013	As on 01.04.2012	For the Period	Deletions/ Withdrawals	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013
	<b>I. Tangible Assets</b>											
1	Leasehold Rights & Improvements		1,49,80,180	--		1,49,80,180	77,20,771	16,80,020	--	94,00,791	72,59,409	55,79,389
2	Camera Equipments	25.00%	33,00,050	--		33,00,050	11,39,332	8,25,013	--	19,64,345	21,60,718	13,35,705
3	Computer	25.00%	43,86,559	4,94,396	--	48,80,955	35,93,665	2,68,219	--	38,61,884	7,92,894	10,19,071
4	Software / Content Library	10.00%	8,37,20,000	--	--	8,37,20,000	8,04,98,915	32,21,085	--	83,720,000	32,21,085	--
5	Vehicles	9.50%	1,13,44,553	64,72,692	50,14,600	1,28,02,645	30,90,323	11,71,693	17,51,538	25,10,478	82,54,230	1,02,92,167
6	Studio Equipments	7.07%	2,82,62,667	1,73,956	--	2,84,36,623	1,53,48,366	19,99,304	--	1,73,47,670	1,29,14,301	1,10,88,953
7	Furniture & Fittings	6.33%	21,52,070	14,28,556	--	35,80,626	13,28,712	2,00,613	--	15,29,325	8,23,358	20,51,301
8	Office Equipments	4.75%	18,51,223	6,54,246	--	25,05,469	7,13,107	1,18,216	--	8,31,323	11,38,116	16,74,146
9	Airconditioner	4.75%	10,24,605	26,550	--	10,51,155	2,54,799	49,854	--	3,04,653	7,69,806	7,46,502
10	Generator	4.75%	6,10,000	--	--	6,10,000	1,87,592	28,975	--	2,16,567	4,22,408	3,93,433
11	Stabilizer & UPS	4.75%	5,53,983	--	--	5,53,983	2,76,458	26,314	--	3,02,772	2,77,525	2,51,211
12	Capital WIP		11,50,000	--	11,50,000	--	--	--	--	--	11,50,000	--
		<b>Total I</b>	<b>15,33,35,890</b>	<b>92,50,396</b>	<b>61,64,600</b>	<b>15,64,21,686</b>	<b>11,41,52,040</b>	<b>95,89,306</b>	<b>17,51,538</b>	<b>12,19,89,808</b>	<b>3,91,83,850</b>	<b>3,44,31,878</b>
	<b>II. Intangible Assets</b>											
1	Brand Equity	10%	75,00,000	--	--	75,00,000	75,00,000	--	--	75,00,000	--	--
2	Goodwill	20%	75,00,000	--	--	75,00,000	75,00,000	--	--	75,00,000	--	--
3	IPR / Remake Rights	20%	35,00,000	--	20,00,000	15,00,000	7,00,000	6,00,000	7,00,000	6,00,000	28,00,000	9,00,000
		<b>Total II</b>	<b>1,85,00,000</b>	<b>--</b>	<b>20,00,000</b>	<b>1,65,00,000</b>	<b>1,57,00,000</b>	<b>6,00,000</b>	<b>7,00,000</b>	<b>1,56,00,000</b>	<b>28,00,000</b>	<b>9,00,000</b>
	<b>GRAND TOTAL</b>	<b>Total (I + II)</b>	<b>17,18,35,890</b>	<b>92,50,396</b>	<b>81,64,600</b>	<b>17,29,21,686</b>	<b>12,98,52,040</b>	<b>1,01,89,306</b>	<b>24,51,538</b>	<b>13,75,89,808</b>	<b>4,19,83,850</b>	<b>3,53,31,878</b>

PARTICULARS	AS AT 31.03.2013 (In Rs.)	AS AT 31.03.2012 (In Rs.)
<b>2.11 Long Term Loans &amp; Advances</b>		
Unsecured, Considered Good		
Electricity & other Deposits	6,59,208	6,45,128
Rental Deposits	38,50,000	40,20,000
Telecast fee Security Deposit with Channel	41,20,508	18,12,738
Lease Advance Refer Note 2.28	2,00,00,000	2,00,00,000
Other Loans & Advances	34,595	34,595
Prepaid taxes incl. tax credits (net of provisions)	2,97,25,316	2,78,21,288
Deposits with sales tax authorities	50,10,401	50,10,401
	<b>6,34,00,028</b>	<b>5,93,44,150</b>
<b>2.12 Other Non Current Assets</b>		
A) Value of unsold FCT's - Refer significant accounting policy 1 d		
Opening Balance	1,51,45,475	1,85,81,466
Add / (Less) : Additions / (utilisation) during the year	1,29,83,250	--
	2,81,28,725	1,85,81,466
Less: Provided & Written off - Refer note 2.32	29,28,916	34,35,991
Closing Balance	<b>2,51,99,809</b>	<b>1,51,45,475</b>
<b>Total A</b>		
B) Tele-serial Rights		
Refer significant accounting policy c 6 - Opening	4,59,11,948	4,06,27,399
Add : 20% to be written off equally over next two years	2,90,13,210	3,23,26,153
Less : Proportionate amount to be written off relating earlier years	2,97,48,868	2,70,41,604
<b>Total B</b>	<b>4,51,76,290</b>	<b>4,59,11,948</b>
C) Gratuity & Leave encashment plan assets Refer Note 2.29 & 2.30	<b>Total C</b>	<b>15,08,974</b>
D) Film Line Production - Advances	<b>Total D</b>	<b>2,15,68,362</b>
E) other assets	64,16,052	66,45,052
Less : Provisions made	50,02,810	54,27,810
<b>Total E</b>	<b>14,13,242</b>	<b>12,17,242</b>
<b>Total (A+B+C+D+E)</b>	<b>9,48,66,677</b>	<b>8,54,00,645</b>
<b>2.13 Inventories</b>		
Refer significant accounting policy d & Note 2.32		
Stock of unused cassettes	8,550	5,676
Work in progress - teleserials	1,89,04,221	85,45,866
Value of unsold FCT's for the year	76,97,657	1,29,83,250
	<b>2,66,10,428</b>	<b>2,15,34,792</b>
<b>2.14 Trade Receivables</b>		
Debts outstanding for a period exceeding six months		
Unsecured		
Considered Good	5,02,23,579	1,40,95,565
Considered Doubtful	5,36,46,696	5,36,46,696
	10,38,70,275	6,77,42,261
Less : Provision for Doubtful debts	4,39,13,935	5,36,46,696
Written off during the year	97,32,761	--
<b>Total A</b>	<b>5,02,23,579</b>	<b>1,40,95,565</b>
Other debts		
Unsecured Considered Good	4,47,65,062	5,88,32,939
Unsecured Considered Doubtful	2,96,747	--
	4,50,61,809	5,88,32,939
Less : Provision for Doubtful debts	2,96,747	--
<b>Total B</b>	<b>4,47,65,062</b>	<b>5,88,32,939</b>
<b>Total (A+B)</b>	<b>9,49,88,641</b>	<b>7,29,28,504</b>

PARTICULARS	AS AT 31.03.2013 (In Rs.)	AS AT 31.03.2012 (In Rs.)
<b>2.15 Cash and Cash Equivalents</b>		
Cash on Hand	2,90,211	2,31,980
Balance with Banks in current Accounts	49,20,600	87,41,911
	<b>52,10,811</b>	<b>89,73,891</b>
<b>2.16 Short - Term Loans and Advances</b>		
Unsecured, Considered Good		
Loans and advances to employees	2,07,780	1,53,200
Advances to Artists	2,60,000	2,60,000
Advances to Technicians	92,550	88,000
Advances to suppliers	6,62,475	5,77,873
Radaan Media Ventures Pte. Ltd #	22,000	--
Prepaid Insurance	60,137	1,91,559
Prepaid expenses	1,06,751	63,786
Advances to supplier / for line production - teleserial*	10,00,000	*27,05,781
Other taxes credits	2,01,365	6,02,529
# wholly owned subsidiary * related party transaction		
<b>Total A</b>	<b>26,13,058</b>	<b>46,42,728</b>
Unsecured, Considered doubtful		
Loans and advances to employees & Technicians	6,65,003	6,65,003
Less: Provision made	6,65,003	--
<b>Total B</b>	--	--
<b>Total (A+B)</b>	<b>26,13,058</b>	<b>46,42,728</b>
<b>2.17 Other Current Assets</b>		
Line Production - Pictures	1,04,01,906	1,04,01,906
Less : Provisions made	1,04,01,906	1,04,01,906
	--	--
<b>2.18 Income from television shows &amp; distribution margin</b>		
Income from television shows etc.,	31,99,98,228	38,97,57,027
Distribution Margin	--	93,30,000
	<b>31,99,98,228</b>	<b>39,90,87,027</b>
<b>2.19 Other Income</b>		
Gain on foreign currency reinstatement	1,10,280	6,93,401
Profit on sale of Shares	--	14,49,392
Dividend income from Andhra Bank	3,300	3,300
Training Course Income	59,26,308	--
Production Services	17,40,000	--
Profit on sale of IPR & Remake Rights	22,00,000	--
Other misc. Income	9,88,548	41,727
	<b>1,09,68,436</b>	<b>21,87,820</b>
<b>2.20 Expenses on television shows etc.,</b>		
Payments to Artists	3,39,66,810	4,00,69,827
Payments to Dubbing Artists etc.,	35,05,810	38,30,378
Telecast Charges	14,29,58,000	17,33,85,000
Prize Money	--	15,29,134
Art & Set Properites Rent	14,05,157	14,34,313
Payments to Technicians	3,18,32,361	3,36,73,943
Other Production Expenses	87,53,678	1,61,50,343
Titling & Effect Charges	4,43,550	7,27,150
Wages & Batta	1,04,34,484	95,58,148
Costumes & Makeup	10,02,629	11,79,640
Lighting & Generator Hire Charges	34,97,231	34,16,208
Equipment Hire & Maintenance Charges	3,32,771	71,79,870
Music Composing & Recording Exp	2,41,500	6,25,000

PARTICULARS	AS AT 31.03.2013 (In Rs.)	AS AT 31.03.2012 (In Rs.)
Travelling Expenses - Production	48,71,006	1,56,76,087
Vehicles Maintenance & Hire Charges	50,73,054	47,10,895
Cassettes & Negatives	4,44,230	5,43,100
Unsold FCT Written off - Refer Note 2.32	29,28,916	34,35,991
Production Exp - Yasodhora	90,20,113	--
Location Rent	72,02,868	79,71,230
Catering Expenses	57,61,195	53,04,268
Amorisation of Tele Serial rights	2,97,48,868	2,70,41,604
	30,34,24,231	35,74,42,129
Less: Teleserial Expenses deferred	2,90,13,210	3,23,26,153
	<b>27,44,11,021</b>	<b>32,51,15,976</b>
<b>2.21 Changes in Inventories &amp; Work-in-progress</b>		
Opening Balance:		
Stock of cassettes	5,676	89,000
Work in progress - television shows	85,45,866	1,74,80,850
<b>Total A</b>	<b>85,51,542</b>	<b>1,75,69,850</b>
Closing Balance:		
Stock of cassettes	8,550	5,676
Work in progress - television shows	1,89,04,221	85,45,866
Current tele-serial - FCT	76,97,657	56,18,250
<b>Total B</b>	<b>2,66,10,428</b>	<b>1,41,69,792</b>
<b>Total (A - B)</b>	<b>-1,80,58,886</b>	<b>34,00,058</b>
<b>2.22 Employee Benefit Expenses</b>		
Salaries	1,62,34,918	1,12,23,326
Contribution to PF & ESI and other funds	8,58,487	7,59,270
Staff Welfare	3,86,188	2,99,588
	<b>1,74,79,593</b>	<b>1,22,82,184</b>
<b>2.23 Other expenses</b>		
Salary to whole time director - Refer Note 2.33	21,00,000	21,00,000
Insurance Charges	5,65,040	3,78,430
Loss on exchange variation	1,11,441	1,08,806
Loss on Sale of Fixed asset	17,83,062	--
Other Administrative Charges	19,81,992	27,36,270
Sitting Fees	3,82,000	1,70,000
Pooja Exp	2,02,803	2,21,066
Postage, Telephone charges	12,22,744	13,97,284
Printing & Stationery	4,68,411	3,14,454
Professional & Consultancy Charges	24,81,430	44,41,742
Auditor's fees Refer Note 2.34	5,00,000	5,00,000
Listing fees	1,55,029	1,27,482
Rent, Rates & Taxes	47,64,043	44,71,479
Repairs & Maintenance	16,94,505	18,54,213
Traveling & Conveyance	15,68,340	21,22,031
Marketing commission	5,27,325	--
Provision for Unrecoverable	2,96,747	5,00,000
Vehicle Maintenance	3,95,403	3,32,548
Advertisement Expenses	3,58,820	4,58,017
Training Course Expenses	50,31,557	--
	<b>2,65,90,692</b>	<b>2,22,33,822</b>
<b>2.24 Finance Cost</b>		
Interest & Finance Charges	1,11,66,396	62,72,946
Bank Charges	1,17,127	3,75,303
	<b>1,12,83,522</b>	<b>66,48,249</b>

## 2.25. Earnings per Equity Share:

Sl. No	Particulars	2012-13 (in Rs)	2011-12 (in Rs.)
1	Profit / (Loss) before Extraordinary items	1,05,09,329	1,69,02,804
2	Profit / (Loss) after Extraordinary items	1,05,09,329	1,69,02,804
3	Weighted Average No. of equity shares (including bonus) for Basic/Diluted Earnings per share	5,41,61,540	5,41,61,540
4	Basic & Diluted E.P.S before extraordinary items	0.19	0.31
5	Basic & Diluted E.P.S after extraordinary items	0.19	0.31

## 2.26. Investments:

During the year 2010 – 11, Company had entered into a share subscription agreement with Celebrity Cricket League Private Limited ('CCL') and had invested Rs.75 Lacs accordingly. Subsequently, franchisees have also invested based on share subscription agreement entered with CCL and its shareholders. On account of the said investment by franchisees in CCL, Companies' shareholding stood at 16.67% as at 31st March 2013.

## 2.27. Subsidiary Company in Singapore:

During the year, Company has incorporated a wholly owned subsidiary company – Radaan Media Ventures Pte Limited in Singapore to engage in media & entertainment activities. However, company has not remitted the share subscription of 1 Sing Dollar, which will be remitted along with other investment requirements at the time of commencement of its commercial operations and hence, financial statements are not consolidated.

## 2.28. The Company had entered into leasehold agreements with Managing Director for acquiring leasehold rights for a period of 20 years in respect of properties at No.8 & 10, Paul Appasamy Street, Chennai - 17.

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.125 lacs was discharged in the form of cash. The registration formalities in respect of lease agreements are yet to be completed.

As per Accounting Standard 19 - Leases, issued by Institute of Chartered Accountants of India, the Operating Lease entered into by the Company is given below:

- a. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods;
  - (i) Not later than one year – Rs.18,00,000
  - (ii) Later than one year and not later than five years – Rs.72,00,000
  - (iii) Later than five years – Rs.42,00,000 (upto july 2020)
- b. The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date – NIL
- c. Lease payments recognized in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents – Rs. 18,00,000/-
- d. Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the period – NIL
- e. A general description of the lessee's significant leasing arrangements including, but not limited to, the following:
  - (i) The basis on which contingent rent payments are determined – NIL
  - (ii) The existence and terms of renewal or purchase options and escalation clauses
    - Lease for period of 20 years renewable on the basis of completion of 11 months.
  - (iii) Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing –
    - (a) Improvement to be made with the written consent of the Lessor,
    - (b) In case of vacation by lessee on its own before the expiry of the lease period, the cost of improvement made to leasehold property to be borne by the lessee.
    - (c) In the case of vacation at instance of the lessor before the expiry of the lease period, the written down value as on date of vacation to be borne by the lessor.



2.29 The company formed a trust named 'Radaan Mediaworks India Limited Employees Group Gratuity Assurance Scheme' with intent to enter into an approved scheme of group gratuity with Life Insurance Corporation of India and to administer for the benefit of the employees. The gratuity report provided by LIC of India as at 31st March 2013 under AS-15 in respect of gratuity of employees of the Company is given below:

1. Assumption:

Discount Rate	-	8%
Salary Escalation	-	6%

2. Table showing changes in present value of obligation:

Particulars	( In Rupees )
Present Value of obligations as at beginning of year	11,40,138
Interest Cost	91,211
Current Service Cost	3,94,601
Benefits Paid (Benefits that fell due in case of resignations, death & retirements) (Enter as a negative value)	(1,59,732)
Actuarial (Gain) / Loss - (Balancing item)	(10,639)
Present Value of the Defined Benefit Obligations at March 31, 2013	11,55,579

3. Table showing changes in the fair value of plan assets:

Fair value of plan assets at beginning of year	12,24,040
Expected Return on Plan Assets	1,04,791
Contributions	-----
Benefits Paid	(1,59,732)
Actuarial gain / (loss) on plan assets	----
Fair Value of Plan Assets at the end of year	11,69,099

4. Table showing fair value of plan assets:

Fair value of plan assets at beginning of year	12,24,040
Actual return on plan assets	1,04,791
Contributions	-----
Benefits Paid	(1,59,732)
Fair Value of plan assets at the end of year	11,69,099
Fund status	(2,86,480)
Excess of actual over estimated return on plan assets	----

5. Actuarial Gain / Loss recognized

Actuarial (gain) / loss on obligations	(10,639)
Actuarial (gain) / loss for the year – plan assets	-----
Actuarial (gain) / loss on obligations	(10,639)
Actuarial (gain) / loss recognized in the year	(10,639)

6. The amounts to be recognized in the balance sheet and statement of profit and loss:

Present value of obligations as at the end of year	14,55,579
Fair value of plan assets as at end of the year	11,69,099
Funded status	(2,86,480)
Net asset / (liability) recognized in balance sheet	(2,86,480)

7. Expenses recognized in statement of profit and loss:

Current Service cost	3,94,601
Interest Cost	91,211
Expected return on plan assets	(1,04,791)
Net Actuarial (gain) / loss recognized in the year	(10,639)
Expenses recognized in statement of profit and loss	3,70,382

## 2.30 Leave Encashment:

Company has taken an insurance policy with LIC of India for Group Leave Encashment Assurance Scheme for the benefit of employees. The report provided by LIC of India as at 31st March 2013 under AS 15 in respect of Group Leave Encashment of employees of the Company is given below:

### 1. Assumption:

Discount Rate	-	8%
Salary Escalation	-	8%

### 2. Table showing changes in present value of obligation:

Particulars	( In Rupees )
Present Value of obligations as at beginning of year	3,07,047
Interest Cost	24,564
Current Service Cost	4,21,017
Benefits Paid (Benefits that fell due in case of resignations, death & retirements) (Enter as a negative value)	(22,878)
Actuarial (Gain) / Loss - (Balancing item)	(2,62,010)
Present Value of the Defined Benefit Obligations at March 31, 2013	4,67,740

### 3. Table showing changes in the fair value of plan assets:

Fair value of plan assets at beginning of year	3,33,578
Expected Return on Plan Assets	29,175
Contributions	-----
Benefits Paid	(22,878)
Actuarial gain / (loss) on plan assets	-----
Fair Value of Plan Assets at the end of year	3,39,875

### 4. Table showing fair value of plan assets:

Fair value of plan assets at beginning of year	3,33,578
Actual return on plan assets	29,175
Contributions	-----
Benefits Paid	(22,878)
Fair Value of plan assets at the end of year	3,39,875
Fund status	(1,27,865)
Excess of actual over estimated return on plan assets	-----

### 5. Actuarial Gain / Loss recognized

Actuarial (gain) / loss on obligations	(2,62,010)
Actuarial (gain) / loss for the year – plan assets	----
Actuarial (gain) / loss on obligations	(2,62,010)
Actuarial (gain) / loss recognized in the year	(2,62,010)

### 6. The amounts to be recognized in the balance sheet and statement of profit and loss:

Present value of obligations as at the end of year	4,67,740
Fair value of plan assets as at end of the year	3,39,875
Funded status	(1,27,865)
Net asset / (liability) recognized in balance sheet	1,27,865

### 7. Expenses recognized in statement of profit and loss:

Current Service cost	4,21,017
Interest Cost	24,564
Expected return on plan assets	(29,175)
Net Actuarial (gain) / loss recognized in the year	(2,62,010)
Expenses recognized in statement of profit and loss	1,54,396

- 2.31. The cost of episodes of tele-serial(s) / tele-film(s) / feature film(s) in progress or completed and pending telecast / release as on date of Balance Sheet has been considered as Work-in-progress and calculated based on absorption method and the same is valued at cost or market price, whichever is less.
- 2.32. As per accounting policy d., the value of unsold FCT of Rs.76,97,657 for the current financial year is stated under 2.13 'Inventories' and the value of unsold FCT accumulated and held for more than 12 months has been classified under 2.12 Non Current Assets. As per accounting policy n. Company has so far written off a sum of Rs.1,21,59,007 which includes write off of Rs.29,28,916 for the F.Y.2012 – 13 held under Non Current Assets.

**2.33. Managerial Remuneration:**

Particulars of salary to Whole Time Directors:

Sl. no	Name	Designation	2012-13 (in Rs.)	2011-12 (in Rs.)
1	R. Sarath Kumar	Director – Operation	21,00,000	21,00,000

The overall managerial remuneration is within maximum ceiling limit laid down pursuant to section 198,269,309 & 310 read with schedule XIII, Part II, Section II of the Companies Act, 1956.

**2.34. Auditor's Remuneration: (excluding Service Tax)**

Sl.No.	Particulars	31.03.2013 (in Rs.)	31.03.2012 (in Rs.)
1	Audit Fee	4,00,000	4,00,000
2	Tax Audit	1,00,000	1,00,000
3	Certification fees	37,500	52,500
4	Out of pocket expenses	7,955	22,969

**2.35. Related Parties Disclosure:**

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

**a. Party(ies) having control:**

Ms.R.Radikaa - Chairperson & Managing Director - Holding more than 50% of paid-up Capital

Sl.No	Name of the Person	Nature of Relationship	Amount (in Rs.)	Particulars
1	R.Radikaa	Chairperson & Managing Director	1,81,50,000	Artist & Creative Head payment in her professional capacity.
			18,00,000	Lease Rent

**b. Key management personnel with whom transactions have taken place during the year.**

Sl. No	Name of the Person	Nature of Relationship	Amount (in Rs.)	Particulars
1	R.Sarathkumar	Director - Operation	21,00,000	Directors' Remuneration

**c. Enterprise in which key management personnel is interested:**

Sl. No	Name of the Enterprise	Name of the Key Personnel	Amount (in Rs.)	Nature of Payment
1	Red Apple Media Pvt Limited, Sri Lanka	R.Radikaa	90,20,113	For tele-serial 'Yashodhara' under Line production basis.

d. Transactions with subsidiary company:

Sl. No	Name of the Subsidiary	Nature of Relationship	Amount (in Rs.)	Nature of Transactions
1	Radaan Media Ventures Pte Limited, Singapore	Wholly owned subsidiary	1,26,604	Incorporation and other expenses.
			44	Subscription to MOA.

2.36. **Segment Reporting**

The company operates in the area of producing content for tele-serials, events, game shows, etc., apart from producing films, undertaking distribution activities, theatrical plays and setting up of training course comprise of acting, dance, martial arts, yoga etc., Management believes that it is not practical to provide segment disclosures relating to those costs and expenses as operational activities are intertwined and therefore, it has been decided by the management to report its functional operations under one segment - 'media & entertainment' with effect from April 1, 2011 and continue to report accordingly.

2.37. There are no dues to small and micro enterprises during the year ended March 2013 & March 2012.

2.38. **Contingent Liabilities:**

Sl. No.	Particulars	31.03.2013 (in Rs.)	31.03.2012 (in Rs.)
1	Claims against the company not acknowledged as debts		
	<b>Service Tax</b>		
	October 2004 to September 2007	19,30,27,340	19,30,27,340
	- (inclusive of penalty of Rs.10 crore)		
	- October 2007 to September 2010 (excluding penalty)	4,68,55,299	4,68,55,299
	<b>Sales Tax</b>		
	- April 2001 to March 2006 (including of penalty of Rs.29,04,10,859)	48,40,18,098	48,40,18,098

**Service Tax:**

Service tax demand was contested before CESTAT, Chennai and a stay was granted without any pre-deposit condition for the period October 2004 to September 2007. In respect of service tax demand of similar nature for the period October 2007 to September 2010, an appeal has been filed and pending before CESTAT.

**Sales Tax:**

Hon'ble High Court of Madras granted interim stay order against sales tax demand for the period 2001 – 02 to 2004 – 05 and partially for the year 2005 – 06 as prayed by the Company. Company has filed an appeal before Appellate Deputy Commissioner (CT) III, Chennai for the part of the disputed demand for the year 2005 – 06 amounting to Rs.2,28,60,665/- not covered under the stay order of Hon'ble High Court and as a condition have deposited a sum of Rs.50,10,401/-and also furnished personal bond by Chairperson & Managing Director for Rs. 1,78,50,265/- for stay of collection of tax.

In the above referred cases, Management firmly believes that its stand is likely to be upheld in the appellate process.

2.39 Licensed and Installed capacity - Not Applicable

		<b>31.03.2013</b>	<b>31.03.2012</b>
2.40	Earnings in Foreign Currency	US \$ 2,43,295	US \$ 1,94,094.13
		Equivalent to	Equivalent to
		Rs. 1,31,05,207	Rs. 1,08,25,079
		British Pound	British Pound
		£ 18,000	£ 1,49,159.01
		Equivalent to	Equivalent to
		Rs.14,91,800	Rs.1,15,83,546

Expenditure in Foreign Currency -	US \$ 1,17,642	US \$ 48,480
	British Pound	British Pound
	£ 2,000	£ 1,81,606
	Sing Dollar 2,305	Equivalent to
	Equivalent to	Rs.1,64,59,491
	Rs.69,32,570	

**2.40.** Figures of Previous year have been re-grouped and re-classified, wherever necessary to conform to those of the current year.

**2.41** Figures have been rounded off to the nearest rupee.

**On behalf of the Board of Directors**

-sd-  
**R.Radikaa Sarathkumar**  
Chairperson & Managing Director

-sd-  
**A.Krishnamoorthy**  
Director

-sd-  
**M.Kaviramani**  
Chief Financial Officer

-sd-  
**Kanhu Charan Sahu**  
Company Secretary

**For CNGSN & ASSOCIATES**  
**Chartered Accountants**  
F.R.No.004915S

-sd-  
**C.N. GANGADARAN**  
Partner  
Memb.No.: 11205

Place : Chennai  
Date : 23<sup>rd</sup> May 2013



## RADAAN MEDIAWORKS INDIA LIMITED

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

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of the attending member/proxy \_\_\_\_\_

DP Id.\* \_\_\_\_\_ Client Id\* \_\_\_\_\_

Folio No.\*\* \_\_\_\_\_ No.of Share(s) held \_\_\_\_\_

I/we hereby register my/our presence at the Fourteenth Annual General Meeting of the Company held on Friday, the 27<sup>th</sup> September 2013 at 10.00 AM at the the Madras Race Club, Guindy, Chennai - 600 032.

\_\_\_\_\_  
Signature of Member/ Proxy

\*Applicable for members holding shares in electronic form.

\*\* Applicable for members holding shares in physical form.

----- Tear Here -----

## RADAAN MEDIAWORKS INDIA LIMITED

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

### PROXY FORM

DP Id.\* \_\_\_\_\_ Client Id.\* \_\_\_\_\_ Folio No.\*\* \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

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

of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to attend and vote for me/us and my/

our behalf at the Fourteenth Annual General Meeting of the company to be held on Friday, the 27<sup>th</sup> September 2013 and at any adjournment thereof.

Signed this .....day of..... 2013

For Office Use	
Proxy No.	
Date of receipt	
No. of Shares	

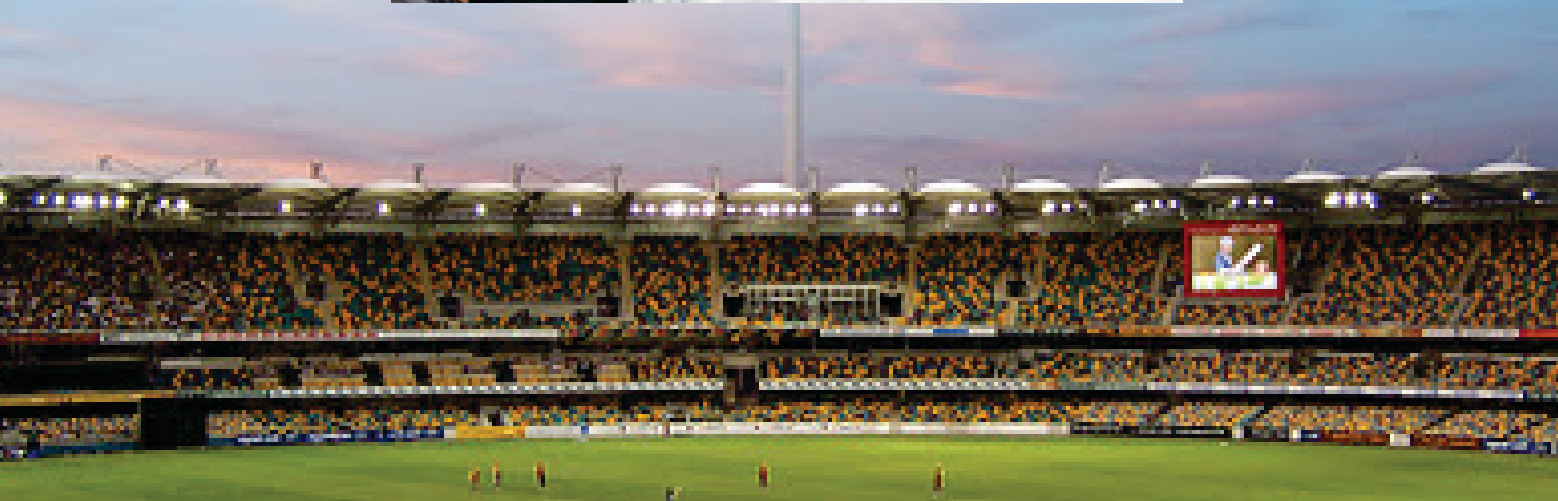
Revenue  
Stamp

\*Applicable for members holding shares in electronic form.

\*\* Applicable for members holding shares in physical form.

- N.B. :
1. The instrument appointing proxy should be duly completed, stamped and must be deposited at the registered office of the company at least 48 hours before the commencement of the meeting.
  2. Proxies submitted on behalf of Limited Companies, Trusts, Societies etc., must be supported by appropriate resolution / authority as applicable.









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