

# **RADAAN**

## **RADAAN PICTURE (P) LTD.**

### **ANNUAL REPORT**

### **1999 - 2000**

Your Directors have great pleasure in presenting the First Annual Report along with the Audited Statement of Accounts for the period ended 31.03.2000.

**BACKGROUND :**

Radaan Picture (P) Ltd. was incorporated as a Private Ltd. Company on 15th September, 1999, with the primary objective of producing high quality software content for Television. The main promoters of the company are Ms. R. Radikaa and her brothers Mr. M.R.Mohan Ratha and Mr. M.R.Raju Ratha. Radaan Picture (P) Ltd. took over M/s. Radaan Television, a sole proprietary concern of Ms. Radikaa, which has earned a name for itself in television content creation since its inception 6 years ago. The take-over strengthens the company with over 212 hours of software library, the brand name "RADAAN" and a team of highly competent professionals. The Directors are confident of carving a niche for the company in the Media and Entertainment Industry.

**FINANCIAL PERFORMANCE :**

The financial performance of Radaan Picture (P) Ltd. for the period from 15.09.1999 to 31.03.2000 is detailed hereunder :

	(Rs. in Lakhs)
	1999 - 2000
Teleserial Revenue	148.35
Other Income	0.25
Profit before Tax and Depreciation	10.15
Depreciation	1.42
Preliminary Expenses	0.03
Profit/Loss before tax for the year	8.70
Income-tax	1.01
Profit after tax	7.69

**DIRECTORS :**

Ms. R. Radikaa, Mr. Raju Ratha, Mr.B.S. Radhakrishnan and Mrs. Geetha Ratha were co-opted as Directors on 15.07.2000. They retire at the end of this Annual General Meeting and being eligible, offer themselves for re-appointment.

**DISCLOSURE OF PARTICULARS:**

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

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

**Personnel:**

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

**DIRECTOR'S RESPONSIBILITY:**

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

- i) In the preparation of annual accounts, the applicable accounting standards had been followed along the proper explanation, relating to material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give as true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts of a going concern basis.

**ACKNOWLEDGEMENT:**

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

BY ORDER OF THE BOARD

-Sd-

PLACE: CHENNAI.

CHAIRMAN

DATE: 1st September 2001.

Information u/s 217(1)(e) of the Companies Act, 1956

Read with the Companies (Disclosures' of Particulars in the Report of the Board of Directors, Rule 1988 and forming part of Directors Report for the year 31st March 1996)

a) CONSERVATION OF ENERGY : Not Applicable

b) TECHNOLOGY ABSORPTION :

Constant efforts are being made for development and improvements of system for cost reduction and for improving the quality of production.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Outgo : Nil

Foreign Exchange earned during the year : Nil

d) PARTICULARS OF EMPLOYEES :

There are no employees drawing a remuneration more than Rs. 50,000/- per month or Rs. 6.00 Lakhs per annum.

FOR AND ON BEHALF OF THE BOARD

-Sd-

DATE : 10-08-2000

DIRECTOR

## AUDITORS' REPORT

### TO THE MEMBERS OF RADAAN PICTURE PRIVATE LIMITED

We have audited the attached Balance Sheet of M/s. RADAAN PICTURE PVT. LTD. as at 31st March, 2000 and the Profit and Loss Account for the period ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph I above, we state that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - (e) Fixed Assets include Software Library and Brand Equity aggregating to Rs. 5,12,20,000/- taken over from a sole proprietary concern (refer Note No. 2 annexed to accounts). We are unable to express our opinion on the valuation of the above assets and the consequent impact thereof on the networth of the company.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and, subject to our comments in para 2(e) above, give a true and fair view :

- (i) in so far as it relates to the Balance Sheet, of the state affairs of the Company as at 31st March 2000; and
- (ii) in so far as it relates to the Profit and Loss account, of the Profit of the Company for the period from 15.09.1999 to 31.03.2000.

For CHANDRAN & RAMAN  
Chartered Accountants

-Sd-

Place : Chennai  
Date : 10.08.2000

(S.G.KALYANARAMAN)  
Partner

## ANNEXURE AUDITORS' REPORT

Re : RADAAN PICTURE PRIVATE LIMITED.

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

- A. (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Company has a programme of annual verification of all the Fixed Assets which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such annual verification of fixed assets.
- (2) None of the Fixed Assets have been revalued during the year.
- (3) The stock of cassettes have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (4) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (5) The discrepancies noticed on verification between the physical stock and the book records were not material.
- (6) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
- (7) The Company has not taken any loans from parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (8) The Company has not granted loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (9) The Company has not advanced any loans and advances in the nature of loans.
- (10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores including components, plant and machinery, equipment and other assets.
- (11) In our opinion and according to the information and explanations given to us, no transaction of purchase of goods and materials, other than the fixed

assets and other goods and materials taken over from the proprietary concern belonging to a relative of a Director and no sale of goods, materials and services have been made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and aggregating during the year to Rs. 50,000/- or more.

- (12) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- (13) The company has not accepted any deposit from the public falling within the purview of section 58A of the Companies Act, 1956.
- (14) In our opinion and according to the information and explanations given to us, accumulation and disposal of scraps does not arise and the Company does not have any by-product.
- (15) The Company has not introduced Provident Fund and Employees State Insurance Scheme to its employees.
- (16) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
- (17) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (18) The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions Act), 1985.
- (19) Clauses (xv) and (xvi) of the order are not applicable to the company.

For CHANDRAN & RAMAN  
Chartered Accountants

-Sd-

Place : Chennai

Date : 10.08.2000

(S.G.KALYANARAMAN)

Partner



	Amount Rs. P.
<b>A. SHARE CAPITAL :</b>	
Authorised capital : 50000 Equity Shares of Rs. 100/- each	5000000.00
Issued, Subscribed and Paid up Capital 2 Equity shares of Rs. 100/- each	200.00
Share Application money received Pending Allotment of shares	7900000.00
Shares pending Allotment for Consideration other than cash	51238900.00
	<u>59139100.00</u>
<b>B. RESERVES AND SURPLUS :</b>	
Profit and Loss Account	769545.25
	<u>769545.25</u>
<b>C. SECURED LOANS :</b>	
Esteem Credits and Investments 64, Anna Nagar, Chennai - 600 102 (Secured by hypothecation of Vehicle)	10578.00
Kotak Mahindra Finance Ltd. "CREEBROS CENTRE" I Floor, 45, Montieth Road, Chennai 600 008 (Secured by hypothecation of Plant & Machinery)	1400699.00
Citibank NA Car Loan P.O. Box No. 2235 Anna Salai Post Office - Ford Chennai - 600 002 - Lancer (Secured by hypothecation of Motors Cars)	288136.18 647244.06
	<u>2346657.24</u>

	Amount Rs. P.
<b>D. UNSECURED LOANS :</b>	
ANZ Grindlays Banks Ltd. - Temporary Overdraft	<u>1840503.80</u>

**E. FIXED ASSETS CUM DEPRECIATION STATEMENT :**

PARTICULARS	COST	DEPRECIATION		NET BLOCK
		FOR THE YEAR	AS ON 31.03.2000	AS ON 31.03.2000
Brand Equity	7500000.00	-	-	7500000.00
Software Library	43720000.00	-	-	43720000.00
Furniture	228775.00	8509.00	8509.00	220266.00
Vehicles	1218755.00	1516.00	1516.00	1217239.00
Office Equipments	94255.00	6528.00	6528.00	87727.00
Plant & Machinery	6367176.00	101331.00	101331.00	6265845.00
Generator	9415.00	4.00	4.00	9411.00
Fire Extinguisher	2850.00	2850.00	2850.00	-
Voltage Stabilizer	44788.00	574.00	574.00	44214.00
Computer	197250.00	21178.00	21178.00	176072.00
<b>Total</b>	<b>59383264.00</b>	<b>142490.00</b>	<b>142490.00</b>	<b>59240774.00</b>

**F. CURENT ASSETS, LOANS AND ADVANCES :**

a) Stock in trade & Work in Progress	6839059.00
b) Sundry Debtors	9948398.00
c) Cash and Bank Balances	2848067.36
d) Advances and Deposits	8991592.20
	<u>28627116.56</u>
a) Stock in trade & Work in Progress	2073000.00
Work in Progress taken over from Radaan TV	4757800.00
Stock of Cassettes taken over from Radaan TV	8259.00
	<u>6839059.00</u>

Amount  
Rs. P.

Sundry Debtors  
Unsecured and Considered good)

Debts outstanding for a period  
six months or more

Other Debts

9948398.00

9948398.00

c) Cash and Bank Balances

Cash on hand

965602.06

Production Cash Imprest

800000.00

ANZ Grindlays Bank - A/c I

25000.00

ANZ Grindlays Bank - A/c II

25000.00

ANZ Grindlays Bank - A/c III

25000.00

Indian Overseas Bank A/c I

49375.00

Indian Overseas Bank A/c II

518536.25

Indian Overseas Bank A/c III

407279.26

Indian Overseas Bank A/c IV

2276.50

Bank of India - A/c I

9950.00

Bank of India - A/c II

10000.00

Bank of Madura

4805.00

Canara Bank

4012.29

Indian Bank

1231.00

2848067.36

d) Advances and Deposits

Loans and Advances

8688072.20

Prepaid Expenses

303520.00

8991592.20

Amount  
Rs. P.

Period of Account : 12.9.1999 to 31.03.2000  
Assessment Year : 2000 - 2001

**G. CURRENT LIABILITIES AND PROVISIONS :**

a) Sundry Creditors

85450.00

b) Sundry Creditors for Advances

8002225.00

c) Sundry Creditors for Expenses

528433.25

d) Sundry Creditors for Others

15054658.92

e) Due to Directors

23790.00

f) Provision for Taxation

101000.00

23795557.17

**H. MISCELLANEOUS EXPENDITURE :**

Preliminary Expenses

26081.00

Less : 1/10th Amortised during the year

2608.10

23472.90

-Sd-

Place : Chennai M.R.MOHAN RATHA  
Director

-Sd-

SUNITHA RATHA  
Director

-Sd-

For CHANDRAN AND RAMAN  
Chartered Accountants  
S.G.KALYANARAMAN  
Partner



	Amount Rs. P.
<b>I) SUNDRY DEBTORS (OUTSTANDING FOR LESS THAN SIX MONTHS)</b>	
UTV	7635000.00
Amma Creations	7890.00
Anand Videos	100.00
Bhavani Creations	2000.00
BRR Enterprises	2013.00
CPM - Kumaraswamy	1000.00
Chennai Vision	550.00
Great Productions	400.00
M.Prasad	375.00
Multi Chennel (India) Ltd.	910750.00
Regina Films	850.00
Ramji Audios & Videos	300.00
Saroj Ads	5000.00
Shanmuga Surya Narayanan	300.00
South African TV Production	28620.00
Sri Samoondeswari	1200.00
Surya Pratap	150.00
Vimal & Co.	500.00
Vision Time	1351400.00
	<u>9948398.00</u>

**II) ADVANCES AND DEPOSITS**

Sun TV	260000.00
True Vision Communication	22500.00
Anand Sugars Ltd.	70966.20
Rathnaswamy	10000.00
TDS Recoverable from parties	107180.00
Lease Deposit	7500000.00

	Amount Rs. P.
Electricity Deposit	15260.00
Telephone Deposit	9000.00
Cellular phone - Security Deposit	10000.00
Margadarsi Chit Fund Ltd.	362500.00
Sandya	231866.00
Staff Advances	88800.00
	<u>8688072.20</u>

**III) PREPAID EXPENSES**

Prepaid Interest - Esteem Credits & Investments	1412.00
Prepaid Interest - Kotak Mahindra Finance Ltd.	302108.00
	<u>303520.00</u>

**IV) SUNDRY CREDITORS**

Hansa Electronic	44950.00
Ferrari Videos	40500.00
	<u>85450.00</u>

**V) SUNDRY CREDITORS FOR ADVANCES**

UTV Advance	6000000.00
Satya Jothi Films	2225.00
Vision Time Advance	2000000.00
	<u>8002225.00</u>

**VI) SUNDRY CREDITORS FOR EXPENSES :**

	Amount Rs. P.
Telecast Charges payable	275000.00
Audit fees payable	25000.00
Service Charges payable	5000.00
Salary payable to Studio staff	13550.00
Salary payable to Administration staff	25941.00
Salary payable to Technicians	71238.00
Salary payable to Associate Directors	27000.00
Power Charges payable	51377.00
Telephone Charges payable	32411.25
Courier Charges payable	1916.00
	528433.25

**VII) SUNDRY CREDITORS FOR OTHERS :**

Indian Bank, Nandanam - Radaan TV Liability taken over	10000000.00
Bank of Ceylon - Radaan TV Liability taken over	4860514.92
TDS Payable	194144.00
	15054658.92

**VIII) DUE TO DIRECTORS**

M.R.Mohan Ratha	3095.00
Sunitha Ratha	20695.00
	23790.00

**IX) PROVISION FOR TAXATION**

Provision for Taxation	101000.00
	101000.00

For CHANDRAN AND RAMAN  
Chartered Accountants

-Sd-

S.G.KALYANARAMAN  
Partner

-Sd-

M.R.MOHAN RATHA  
Director

-Sd-

SUNITHA RATHA  
Director

Place : Chennai

**SCHEDULE:N**

**1) Significant Accounting policies:**

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

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

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

**4) Auditor's Remuneration**

Year Ended 31.03.2000

Rs.

(a) Audit Fees	15,000/-
(b) Taxation	10,000/-
	<u>25,000/-</u>

- 5) Licensed and Installed Capacity - Not Applicable
- 6) Earnings in Foreign Currency - Nil
- 7) Expenditure in Foreign Currency - Nil
- 8) This being the first year of business of the company, previous year's figures have not been furnished.

**Signatories to Schedules "A" to "N"**

			For CHANDRAN AND RAMAN Chartered Accountants
	-Sd-	-Sd-	-Sd-
Place : Chennai	M.R.MOHAN RATHA Director	SUNITHA RATHA Director	S.G.KALYANARAMAN Partner