

The logo for Radaan mediaworks features a large, stylized 'R' in a serif font. The word 'Radaan' is written in a large, bold, serif font, with 'mediaworks' in a smaller, lowercase, sans-serif font underneath it. A horizontal line is positioned below the word 'Radaan'.

**Radaan**  
mediaworks

**18<sup>TH</sup> ANNUAL REPORT  
2016-2017**

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



**CORPORATE INFORMATION**
**CIN: L92111TN1999PLC043163**
**BOARD OF DIRECTORS**

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

**R. SARATHKUMAR**  
Director - Operations

**A. KRISHNAMOORTHY**  
Director

**J. KRISHNA PRASAD**  
Director

**V. SELVARAJ**  
Director

**M KAVIRIMANI**  
Chief Financial Officer

**K C SAHU**  
Company Secretary

**SUBHAA VENKAT**  
Chief Operating Officer - Creative

**R RAYANE**  
Head - New Media

**REGISTERED OFFICE :**

No.14, Jayammal Road,  
Teynampet, Chennai - 600018  
Tel: +91 - 44 - 2431 3001  
Fax: +91 - 44 - 2431 3008  
Website: www.radaan.tv | Email: info@radaan.tv

**STATUTORY AUDITORS :**

CNGSN & ASSOCIATES LLP  
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.

Canara Bank  
Habibullah Road, Chennai - 600 017.

**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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## OUR BOARD OF DIRECTORS

**Mrs. R.Radikaa Sarathkumar**


Mrs.Radikaa is an accomplished business personality and a role model in Media & entertainment Industry having the right blend of managerial talent, rich experience in Acting, and creative ability in conceptualizing, strategizing, directing and implementing successfully various entertainment contents contributing to the consistent growth of the company right from inception.

She is a degree holder 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 Government Award, Malaysian Film Association Award and several others, for acting and for her contribution to the industry.

As the creative force behind Radaans success, Mrs.Radikaa believes in a hands-on approach to the day-to-day creative direction. Given her wealth of experience, today, Radaan has produced numerous award winning television shows.

**Mr. R. Sarathkumar**


Mr. Sarathkumar, is a Bachelor of Science in Mathematics. He has selected acting as profession and acted successfully in more than 130 films. Throughout his career, he has remained a very popular and leading cine actor. 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 was Honorary President of the South Indian Artistes Association. His extensive relationships in the industry have proved to be extremely beneficial for the organization, and he continues to open new frontiers for the company.

Mr.Sarathkumar has been hands-on in the operational management of the company, controlling on day-to-day affairs, operational efficiency. He has earlier been a Honourable Member of Parliament. He has also been a member of the Tamil Nadu Legislative Assembly for the term 2011-16.

**Mr. A.Krishnamoorthy**


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


Mr.Krishnaprasad is a Chartered Accountant by qualification with nearly 30 years of corporate experience. He has held various senior positions in reputed corporate houses. He is well experienced in all facets of business management. He is now into management consulting. Providing advisory services for emerging companies and CEO mentoring are his passion. He was past member in various Expert Committees of the Madras Chamber of Commerce and Industry.

**Mr. V.Selvaraj**


Mr.V Selvaraj, after having obtained the degree in Master of Arts in Economics from Loyola College, Chennai, 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 various Organisations.

**RADAAN MEDIAWORKS INDIA LIMITED**

CIN : L92111TN1999PLC043163

Registered Office: No.14, Jayammal Road, Teynampet, Chennai - 600018

Tel: 91-44-2431 3001 | Fax: 91-44-2431 3008 | Email: info@radaan.tv | Website: www.radaan.tv

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Eighteenth Annual General Meeting of the company will be held on Saturday, the 30<sup>th</sup> September 2017 at 11.00 a.m., at Madras Race Club, Guindy Lodge, Chennai - 600032 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis, for the financial year ended 31<sup>st</sup> March 2017 and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT the Audited Financial Statements of the Company on standalone and consolidated basis, for the financial year ended 31<sup>st</sup> March 2017, including the Balance Sheet as at 31<sup>st</sup> March 2017, Profit & Loss Statement, Cash Flow Statement for the financial year ended on that date and the Auditors Report and the Board of Directors Report thereon be and are hereby received, considered and adopted.

2. To appoint a director in place of Mr.Ramanathan Sarathkumar (DIN: 00238601) who retires by rotation and being eligible, offers himself for reappointment and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT Mr.Ramanathan Sarathkumar (DIN: 00238601), retiring by rotation be and is hereby reappointed as Director of the company.

3. To appoint auditors and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, as amended from time to time, M/S. SRSV & Associates, Chartered Accountants (Firm Registration No:015041S), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the twenty third AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

By Order of the Board

For Radaan Mediaworks India Limited

-Sd-

Date: 29<sup>th</sup> August 2017

Registered office:  
No.14, Jayammal Road, Teynampet  
Chennai-600 018

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 instrument appointing the proxy, in order to be effective, must be deposited with the Company not less than FORTY-EIGHT HOURS before commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer books of the company will remain closed from 24<sup>th</sup> September 2017 to 30<sup>th</sup> September 2017 (both days inclusive).
3. 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.
4. 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.
5. All documents referred to it in the accompanying Notice are available for inspection by the members at the registered office of the company on all working days between 11.00 a.m. and 1.00 p.m. and 3.00 p.m. to 5.00 p.m. (except Saturday) prior to the date of the Meeting.
6. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's RTA, M/s.Cameo Corporate Services Limited/ Depositories.
8. The route map showing directions to the venue of the meeting is annexed.

**9. VOTING**

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically (remote e-voting), through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
- b. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- c. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- d. The instructions for e-voting are as under:
  - (i) The remote e-voting period begins on 27<sup>th</sup> September 2017, (9.00 a.m. IST) and ends on 29<sup>th</sup> September 2017, (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website of CDSL [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. [Sequence number has been provided as serial number (SL No) in the Address Label]</li> <li>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or DOB (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>* If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Radaan Mediaworks India Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone user can download the app from the App Store and Windows Phone Store respectively. Please follow the instruction as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- e. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, or voting at the meeting.
- f. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the sequence number from the RTA of the Company by sending a request at [investor@cameoindia.com](mailto:investor@cameoindia.com) However, if you are already registered with CDSL for remote e-voting then you can use your existing log in details for casting your vote.
- g. Mr.R. Kannan, Practicing Company Secretary, (Membership No.F6718), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in fair and transparent manner.
- h. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours from conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by Chairperson in writing who shall countersign the same.
- i. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.radaan.tv](http://www.radaan.tv) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the shares of the Company are listed.

10. Details of directors seeking appointment/ re-appointment at the forthcoming annual General Meeting are provided below.

Name of the Director	Mr.Ramanathan Sarathkumar
DIN	00238601
Date of Birth	14-07-1954
Date of appointment on Board	29-01-2005
Qualification	B.Sc. (Math)
Expertise in specific functional area	Wide experience in media and entertainment industry
List of Directorships held in other public companies (excluding foreign companies and Section 8 companies)	NIL
Memberships / Chairmanships of committees of other public companies	NIL
Shareholding in the company	NIL
Relationship with other directors	Spouse of Mrs.R Radikaa Sarathkumar

## DIRECTORS' REPORT

### Dear Shareholders,

The directors submit annual report of Radaan Mediaworks India Limited (the "Company" or "Radaan") along with the audited financial statements for the financial year ended 31<sup>st</sup> March 2017. Consolidated performance of the Company has been referred to wherever required.

### Financial Performance:

Summary financial performance of the Company is provided below and a more detailed report, state of it's affairs are included in the Management Discussion and Analysis:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operation	3080.71	3239.96	3080.71	3239.96
Other income	2.93	13.32	2.93	13.32
Operating expenditure	2842.31	2967.48	2843.84	2969.41
Finance cost	109.41	128.30	109.41	128.47
Depreciation and amortization Expenses	51.15	62.56	51.15	62.56
Profit/ (Loss) before Tax	80.77	94.94	79.24	92.84
Tax expenses / provisions	(0.14)	4.92	(0.14)	4.92
Net Profit/ (Loss)	80.91	90.02	79.38	87.92

### Dividends:

The earnings are redeployed in operation, and no dividend is recommended for the financial year ended 31<sup>st</sup> March 2017.

### Public Deposits:

The company has not accepted any deposit from public and as such, there is no default in repayment during the year and no amount on account of public deposits was outstanding as on the date of balance sheet.

### Subsidiary Company:

As on closing of the reporting financial year, the company has only one subsidiary, Radaan Media Venture Pte. Ltd., Singapore. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

There was no commercial activity in the subsidiary company during the reporting period, however certain establishment cost were incurred resulting into Net Loss. A statement containing salient features of the financial statements of the subsidiary company, highlighting it's performances and financial position during the year is provided below:

(a)	Name of the subsidiary	Radaan Media Ventures Pte. Ltd.	
(b)	Reporting Period	01-04-2016 to 31-03-2017	
(c)	Reporting currency and exchange rate as on the last date of the relevant financial year	Sing \$ / Rs.46.3062	
(d)	Percent of shareholding	100%	
		(in Sing \$)	(in Rs.)
(e)	Share Capital	20,000	9,26,124
(f)	Reserves & Surplus	(-)60,980	(-)28,23,752
(g)	Total Assets	1,000	46,306
(h)	Total Liabilities	41,980	19,43,934
(i)	Investments	---	----
(j)	Turnover	----	----
(k)	Profit before taxation	(-)3,200	(-)1,52,315
(l)	Provision for taxation	---	----
(m)	Profit after taxation	(-)3,200	(-)1,52,315
(n)	Proposed dividend	----	----

The audited accounts of the subsidiary are available on company's website and copy shall be provided to shareholders who ask for it. Policy for determining material subsidiaries of the Company is also available on the website of the Company.



### Directors and key managerial personnel:

As per the provisions of the Companies Act, 2013 ("Act"), Mr.Arunachalam Krishnamoorthy (DIN:00386122), Mr.Janardan Krishna Prasad (DIN:03397294), Mr.Vellayan Selvaraj (DIN:00052444) were appointed as independent directors at the annual general meeting of the Company held on 29th September 2014. The tenure of such appointment was for five years. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act, same is available in the website of the company. They have submitted declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and there has been no change in the circumstances which may affect their status as independent director during the year.

Mr.Ramanathan Sarathkumar (DIN: 00238601), retires by rotation and being eligible has offered himself for reappointment.

During the year, the non executive directors of the company had no pecuniary relationship or transaction with the Company.

Composition of the board of directors and committees thereof, including the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the details of meeting of the board and the committees are discussed fully in the corporate governance report.

Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been discussed along with the Nomination and Remuneration Committee in the corporate governance report.

Mrs.R Radikaa Sarathkumar, Chairperson & Managing Director; Mr.Ramanathan Sarathkumar, Director – Operations; Mr.Muruguvannan Kaviramani, Chief Financial Officer and Mr.Kanhu Charan Sahu, Company Secretary were the key managerial personnel of the Company, pursuant to the provisions of section 203 of the Act.

### Board evaluation:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairperson was also evaluated on the key aspects of her role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairperson was evaluated. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them 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 at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, the board is of the opinion that the Company's internal financial controls and compliance systems were adequate and effective during the reporting period..

**Transactions with related parties:**

During the financial year, Company has entered into contract / arrangement or transaction with related parties, which are not material, and a complete list of the transactions is provided as part of notes to accounts. No such contract / arrangement or transaction is not in the ordinary course of business and / or not at arm's length. Policy on dealing with related party transactions is available on the website of the Company

**Extract of Annual Return:**

As provided under section 92(3) of the Companies Act, 2013, the extract of annual return in the prescribed form MGT-9 is given in **Annexure I** as part of this report.

**Auditors:**

M/s CNGSN & Associates LLP, Statutory Auditors submitted their reports for the Financial Year 2016-17 which, does not contain any qualification, reservations or adverse remarks.

In terms of the provisions under Companies Act, 2013 and rules framed thereunder, the terms of appointment of M/s CNGSN & Associates LLP, as auditors of the company shall end at the conclusion of the eighteenth annual general meeting.

The Board of Director at the meeting held on 29<sup>th</sup> August 2017, considering the recommendation of the Audit Committee, recommended the appointment of M/S. SRSV & Associates, Chartered Accountants, (Firm Reg. No. 015041S) as statutory auditors for a period of five years commencing from the conclusion of the eighteenth annual general meeting, subject to approval of shareholders at the ensuing annual general meeting.

The incumbent auditors have submitted a certificate to the effect that their appointment, if made, shall be in accordance with the provisions of the Companies Act, 2013, and they are not disqualified from being appointed as Statutory Auditors. They are also subjected to the peer review process of the Institute of Chartered Accountants of India and hold a valid Peer Review Certificate.

**Secretarial Auditor:**

As per provisions under section 204 of the Companies Act, 2013 and the rules framed there under, Mr.R Kannan, Practicing Company Secretary was appointed to conduct secretarial audit for the financial year. Report of the secretarial auditor is given as **Annexure II**, which does not contain any qualification, reservation or adverse remarks.

**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.

**Vigil Mechanism:**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of the policy are in line with the provisions of the section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations. The policy is available in website of the Company.

**Particular of employees:**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio to median remuneration
Ramanathan Sarathkumar	23.32

- ii The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Ramanathan Sarathkumar	---
M Kaviramani	---
Kanhu Charan Sahu	---

- iii The percent increase in the median remuneration of employees in the financial year – NIL
- iv The number of permanent employees on the rolls of the company – 69
- v Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
During the year, no increment was granted to employees' salary including the managerial personnel.
- vi The remuneration is as per the remuneration policy of the company.
- vii None of the employees is in receipt of remuneration exceeding the limit as specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. A statement of top ten employees in terms of remuneration drawn are provided in **Annexure III**, which forms part of this Report.

#### Risk Management:

In terms of Clause 49 II (VI) of the erstwhile Listing Agreement, the Board of Directors at its meeting held on 14<sup>th</sup> February 2015, formulated a Risk Management Committee. However as per Listing Regulations, Company is not required to maintain Risk Management Committee so the Board of Directors in its meeting held on 14<sup>th</sup> February 2017 has dissolved the Committee.

The Company has in place a Risk Management Policy, pursuant to Section 134 of the Companies Act, 2013, which is published in the website of the Company. The Board of Directors and the Audit Committee shall be responsible for framing, implementing and monitoring the risk management plan of the company. Senior Executives shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning.

The major risks identified by the business/ functions and the ways of mitigation has been covered in the management discussion and analysis.

#### Particulars of loans guarantees and investments:

Particulars of loans guarantees and investments have been discussed in the financial statements.

#### Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo:

- (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 use the latest technologies for improving productivity and quality of it's operations.
- (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 31-03-2017	Year ended 31-03-2016
Foreign Exchange Earnings	US \$ 4,56,196 equivalent to Rs.3,01,53,098	US \$ 5,98,959 equivalent to Rs.3,89,20,327
Expenditure in foreign currency	AUS \$ 9,500 and Sing \$ 1,000 in total equivalent to Rs.5,48,169	NIL

#### Corporate Governance Reports:

Pursuant to Regulation 34 of the SEBI Listing Regulations and other applicable provisions, the following have been made part of this 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

#### Obligation under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and an Internal Complaints Committee has been set up to look into complaints relating to sexual harassment. During the year 2016-17, no such complaint has been received.

### 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.

For and on behalf of the Board of Directors

-sd-

Chennai  
29<sup>th</sup> August 2017

R Radikaa Sarathkumar  
Chairperson & Managing Director

Annexure - I

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L92111TN1999PLC043163
2	Registration Date	15th September 1999
3	Name of the Company	Radaan Mediaworks India Limited
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	No.14, Jayammal Road, Teynampet, Chennai - 600018 Ph: +91 44-2431 30 01 / 02 / 03 / 04 / 05/ 06/ 07; Fax: +91 44-24313008 email : info@radaan.tv ; website : www.radaan.tv
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai - 600002 Ph: +91 44-28460390 ; Fax: +91 44-28460219 Email: cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Motion picture, video and television programme activities	591	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No	Name and Address of the Company	CIN / GLN	Holding subsidiary Associate	% of shares held	Applicable Section
1	Radaan Media Ventures Pte. Limited	Not applicable	Subsidiary	100	2(87)

**IV. SHARE HOLDING PATTERN**
**(i) Category-wise Share Holding (Equity share capital breakup as percentage of total equity)**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	278,49,790	-	278,49,790	51.42%	278,49,790	-	278,49,790	51.42%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	278,49,790	-	278,49,790	51.42%	278,49,790	-	278,49,790	51.42%	0.00%
<b>(2) Foreign</b>									
a) NRIs / Foreign Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Bodies Corp. / Institutions	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Qualified Foreign Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	278,49,790	-	278,49,790	51.42%	278,49,790	-	278,49,790	51.42%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt / State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	1,50,000	1,50,000	0.28%	-	1,50,000	1,50,000	0.28%	0.00%
h) Qualified Foreign Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	1,50,000	1,50,000	0.28%	-	1,50,000	1,50,000	0.28%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	66,21,589	-	66,21,589	12.23%	60,10,182	-	60,10,182	11.10%	-1.13%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,46,73,396	27,833	1,47,01,229	27.14%	1,46,92,202	28,033	1,47,20,235	27.18%	0.04%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	40,72,757	-	40,72,757	7.52%	46,36,617	-	46,36,617	8.56%	1.04%
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	0.00%
d) Others (specify)									
Non Resident Indians	3,07,921	-	3,07,921	0.57%	3,00,450	-	3,00,450	0.55%	-0.02%
Hindu Undivided Families	4,32,174	-	4,32,174	0.80%	4,52,186	-	4,52,186	0.83%	0.03%
Clearing Members	3,380	-	3,380	0.00%	19,380	-	19,380	0.03%	0.03%
Trusts	22,700	-	22,700	0.04%	22,700	-	22,700	0.04%	0.00%
<b>Sub-total (B)(2):-</b>	2,61,33,917	27,833	2,61,61,750	48.30%	2,61,33,917	27,833	2,61,61,750	48.30%	0.00%
<b>Total Public (B)</b>	2,61,33,917	1,77,833	2,63,11,750	48.58%	2,61,33,917	1,77,833	2,63,11,750	48.58%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; DRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	5,39,83,707	1,77,833	5,41,61,540	100.00%	5,39,83,707	1,77,833	5,41,61,540	100.00%	0.00%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	R Radikaa Sarathkumar*	2,78,49,790	51.42%	23.08%	2,78,49,790	51.42%	23.08%	0.00%

\* shareholding is consolidated based on permanent account number (PAN) of shareholder

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			There is no change in Promoters' Shareholding between 01.04.2016 to 31.03.2017			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):						
	At the end of the year						

**(IV) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

SN	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares	No. of sharers	% of total shares
1	Goldquest International Pvt Ltd	16,56,870	3.06%	16,56,870	3.06%
2	Senthil Trade and Business Links P Ltd	13,73,119	2.54%	13,73,119	2.54%
3	Oak Land Estates Private Ltd	13,13,118	2.42%	9,70,842	1.79%
4	Raju Radha	8,00,000	1.48%	7,97,920	1.48%
5	Malu Financial Securities Limited	7,18,387	1.33%	4,17,815	0.77%
6	P K Kumaradevan	3,35,037	0.61%	3,35,037	0.61%
7	Moti Lal Daga	2,52,787	0.47%	2,57,807	0.48%
8	Sangeetha Arora/Manish Kumar Arora	1,91,978	0.35%	1,91,978	0.35%
9	Jaideep Janak Merchant*	1,90,664	0.35%	1,90,664	0.35%
10	Abhi Ambi Financial Services Limited*	1,68,595	0.31%	0	0.00%
11	Lekhya Entertainment Pvt. Ltd**	50,000	0.09%	3,15,538	0.58%
12	Mandava Radhika**	0	0.00%	2,50,000	0.46%

\* Was among top 10 shareholders as at beginning of the year.

\*\*Was among top 10 shareholders as at end of the year.

Notes:

- Shares of the company are substantially held in dematerialized form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
- Shareholding is consolidated based on permanent account number (PAN) of shareholder

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	R Radikaa Sarathkumar*	2,78,49,790	51.42%	2,78,49,790	51.42%

\* also promoter

No other Director or KMP hold any share in the company.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	783.84	-	-	783.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	783.84	-	-	783.84
<b>Change in Indebtedness during the financial year</b>				
Addition	95.63	-	-	95.63
Reduction	18.23	-	-	18.23
Net Change	77.40	-	-	77.40
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	861.24	-	-	861.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.36	-	-	0.36
Total (i+ii+iii)	861.60	-	-	861.60

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Name	R Sarathkumar	
	Designation	Director - Operations		
	Gross salary	(Rs./ lac)		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00		42.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify	-		-
5	Others, please specify	-		-
	Total	42.00		42.00
	Ceiling as per the Act	Minimum remuneration specified under Schedule V of the Companies Act, 2013		

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Fee for attending board / committee meetings	commission	Others, please specify	Total Amount
(Rs/Lac)					
1	<b>Independent Directory</b>				
	Arunachalam Krishnamoorthy	1.50	-		1.50
	Janardhan Krishnaprasad	1.60	-	-	1.60
	Vellayan Selvaraj	1.60	-	-	1.60
	Total (1)	4.70	-	-	4.70
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (1+2)	4.70	-	-	4.70

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
				(Rs/Lac)
	Name	M Kavirimani	Kanhu Charan Sahu	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.48	10.08	28.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others			
	Total	18.48	10.08	28.56

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March 2017

Annexure II

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
**RADAAN MEDIAWORKS INDIA LIMITED**  
 No.14, Jayammal Road,  
 Teynampet,  
 CHENNAI – 600018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Radaan Mediaworks India Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s Radaan Mediaworks India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Radaan Mediaworks India Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-  
 (Where ever applicable)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable to the Company during the financial year.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013 - Not applicable to the Company during the financial year.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the financial year.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not applicable to the Company during the financial year.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable to the Company during the financial year.
  - (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations,1998- Not applicable to the Company during the financial year.
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 with effect from December 1, 2015.
- (v) As per the explanation from the Company, given to us in writing, no other specific law was applicable to the company during the year 2016-17. Hence, we are unable to comment on the compliance of other applicable laws.

(VI) We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on the meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I report that there were no actions / events in pursuance of

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the year)

There are some un-settled disputes with Service Tax, Sales Tax and Income Tax authorities are pending for settlement. However I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

The Corporate Governance Certificate has been issued by the Statutory Auditor. Accordingly the matters covered under the Corporate Governance are not revisited again and we have relied on the certificate issued by the Statutory Auditor.

Based on a review of the reports by operation departments of the company including the studios located in various location in India to Top Management/Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it such as Payment of Wages Act 1936, Minimum Wages Act 1948, Employees Provident Fund Act 1952, Employees State Insurance Act 1948, Environment Protection Act 1986 and Tamil Nadu Shops and Establishments Act, 1947.

Place : Chennai  
Date : 29-08-2017

-sd-  
R Kannan  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363

**Annexure III**
**Particulars of top ten employees in terms of remuneration drawn during the year 2016-17**

Sl. No.	Name and designation	Remuneration Received (Rs.)	Qualifications	Experience	Date of commencement of employment	Age (years)	Last employment before joining the company
1	Mr. Ramanathan Sarathkumar, Director - Operations	42,00,000	B.Sc. (Mathematics)	31 Years	01-04-2007	63	---
2	Mrs. Subhaa Venkat, COO - Creatives	24,00,000	B.Com, M.A. (Journalism and Mass Communication)	27 Years	01-06-2015	51	Creative Director in MD Entertainment, Indonesia
3	Mr.M Kaviramani, Chief Financial Officer	18,48,000	B.A. (CS), F.C.A	18 Years	03-11-2005	45	Computer Age Management Services Private Limited
4	Mr. Sumi Ratnam, Project Head	12,00,000	M.A. (Tamil) & (Film Tech.)	30 Years	02-05-2012	54	Creative Consultant in Star Vijay Television Private Limited
5	Mr. Kanhu Charan Sahu, Company Secretary	10,08,000	B.Sc., A.C.S., L.L.B.	11 Years	08-09-2009	41	Pyramid Saimira Theatres Limited
6	Ms. Rayane Sarathkumar, Head – New Media	9,00,000	B.A. (Economics), M.A. in Sports Management from Leeds University, U.K.	3 Years	08-08-2014	24	---
7	Mr.M Subramanian, Team Leader - Graphics	5,01,600	H.S.C, Diploma in Graphics	13 Years	07-02-2012	35	Prasad Corporation Ltd.
8	Mr. K.Sukumaran * Production Head	4,81,800	B. Com	23 Years	24-02-2010	55	Production and creative co-ordinator in Cine times
9	Mr. R.Venu Gopal, Manager – Accounts & Finance	4,14,000	B.Com., C.A. (Inter)	10 Years	01-03-2007	43	---
10	Mr. R.M.Ravi Kumar, Manager – Web Development	4,05,000	B.A. (Corporate Secretaryship) M.A. (MC & J)	10 Years	02-05-2012	37	Senior Graphics Designer in R.R.Donnely India Outsource Pvt Ltd., Chennai

\* Currently not in service

Note:

- (a) None of the above employees hold any share in the company  
 (b) Mr.Ramanathan Sarathkumar holds the position as Whole-time Director  
 (c) Ms.Rayane Sarathkumar is daughter of the Chairperson & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

Certain statements made in the management discussion and analysis relating to Company's objectives, projections, estimations and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results, performance or achievements may differ from such expectations whether expressed or implied. The important factors, which could have an impact on the company's operations, include climatic and economic conditions affecting demand and supply, changes in government regulations and taxation, and other incidental factors over which the Company does not have control. 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.

### Economic Overview:

Global economy evidenced a slower growth in 2016, with Brexit, the US election, low commodity price, and other business uncertainties. The world GDP growth slipped to 3.1% from 3.4% in past few years. The IMF has projected the world GDP to grow at 3.5% in 2017.

Moving along the global economy, India too witnessed a marginally lower GDP growth, where Central Statistics Office has estimated it to be 7.1% in FY17 as against 7.6% in FY16. However, India continues to hold its crown of fastest growing major economy overtaking China for the consecutive second year. The economic growth in India is expected to have been even better had it not gone through the shock of demonetisation.

### Industry Overview:

For Indian Media and Entertainment (M&E) industry the year was a mixed bag. The demonetisation led to a decline in consumption across sectors, this led to a pull back on discretionary spends on marketing and advertising, the repercussions of which were felt across M&E industry. However, the impact is expected to be shortlived, as there has been an upswing in consumption and advertising demand. In 2016, the Indian M&E industry grew at 9.1% on the back of advertising growth of 11.2%

THE INDIAN M&E INDUSTRY SIZE							
Overall industry size/ (INR Billion)/ (For Calendar Years)	2011	2012	2013	2014	2015	2016	Growth in 2016 over 2015
TV	329.0	370.1	417.2	474.9	542.2	588.3	8.5%
Print	208.8	224.1	243.1	263.4	283.4	303.3	7.0%
Films	92.9	112.4	125.3	126.4	138.2	142.3	3.0%
Radio	11.5	12.7	14.6	17.2	19.8	22.7	14.6%
Music	9.0	10.6	9.6	9.8	10.8	12.2	13%
OOH	17.8	18.2	19.3	22.0	24.4	26.1	7.0%
Animation and VFX	31.0	35.3	39.7	44.9	51.1	59.5	16.4%
Gaming	13.0	15.3	19.2	23.5	26.5	30.8	16.2%
Digital Advertising	15.4	21.7	30.1	43.5	60.1	76.9	28%
<b>Total</b>	<b>728.4</b>	<b>821.0</b>	<b>918.1</b>	<b>1025.6</b>	<b>1156.5</b>	<b>1262.1</b>	<b>9.1%</b>

Courtesy : FICCI-KPMG Indian Media and Entertainment Industry Report for 2017

ADVERTISING REVENUE SIZE							
Overall industry size/ (INR Billion)/ (For Calendar Years)	2011	2012	2013	2014	2015	2016	Growth in 2016 over 2015
TV	116.0	124.8	135.9	154.9	181.3	201.2	11.0%
Print	139.4	149.6	162.6	176.4	189.3	201.3	6.3%
Digital Advertising	15.4	21.7	30.1	43.5	60.1	76.9	28.0%
OOH	17.8	18.2	19.3	22.0	24.4	26.1	7.0%
Radio	11.5	12.7	14.6	17.2	19.8	22.7	14.6%
<b>Total</b>	<b>300.1</b>	<b>327.0</b>	<b>362.5</b>	<b>414.0</b>	<b>474.9</b>	<b>528.2</b>	<b>11.2%</b>

Courtesy : FICCI-KPMG Indian Media and Entertainment Industry Report for 2017

The long-term factors driving the future growth are expected to remain positive, with growing rural demand, increasing digital access and consumption, and expected culmination of the digitisation process of television distribution over the next two to three years. The Indian M&E industry is projected to grow at a faster pace of 14% over the period 2016–21, with advertising revenue expected to increase at a CAGR of 15.3% during the same period.

THE INDIAN M&E INDUSTRY PROJECTION							
Overall industry size/ (INR Billion)/ (For Calendar Years)	2016	2017p	2018p	2019p	2020p	2021p	CAGR (2016-21p)
TV	588.3	651.0	750.9	876.8	1014.5	1165.6	14.7%
Print	303.3	325.0	350.4	378.5	405.6	431.1	7.3%
Films	142.3	155.0	166.0	178.2	191.6	206.6	7.7%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
Music	12.2	14.0	16.3	19.0	22.1	25.4	15.8%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Animation and VFX	59.5	69.5	81.2	95.5	111.9	131.7	17.2%
Gaming	30.8	37.2	44.2	52.2	60.7	71.0	18.2
Digital Advertising	76.9	101.5	134.0	174.3	226.5	294.5	30.8%
<b>Total</b>	<b>1262.1</b>	<b>1408.7</b>	<b>1606.2</b>	<b>1846.7</b>	<b>2115.2</b>	<b>2419.4</b>	<b>13.9%</b>

Courtesy : FICCI-KPMG Indian Media and Entertainment Industry Report for 2017

ADVERTISING REVENUE PROJECTIONS							
Overall industry size/ (INR Billion)/ (For Calendar Years)	2016	2017p	2018p	2019p	2020p	2021p	CAGR (2016-21p)
TV	201.2	225.4	256.9	298.0	342.7	394.1	14.4%
Print	201.3	215.0	233.3	254.9	276.2	296.0	8.0%
Digital Advertising	76.9	101.5	134.0	174.3	226.5	294.5	30.8%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
<b>Total</b>	<b>528.2</b>	<b>597.3</b>	<b>687.4</b>	<b>799.5</b>	<b>927.7</b>	<b>1078.1</b>	<b>15.3%</b>

Courtesy : FICCI-KPMG Indian Media and Entertainment Industry Report for 2017

The e-commerce segment continued to aggressively chase market share by continuing to spend on customer acquisition. E-commerce advertising spends initially focused on digital platforms, but over the last couple of years, there has been significant increase in advertising spends across Television, Print and Radio. It is expected that e-commerce will continue to be an active advertiser across platforms with spends being concentrated among the large e-commerce players and increasing focus on regional markets.

The GST, coming to effect, there would be an initial adverse impact on advertising spend as organisations across the board struggle with the implementation of GST. However, in the long term, with the formalisation of the economy and widening of tax base, there could be a positive impact on the country's GDP and consequently on advertising spends.

The industry is on the cusp of rapid transformation with digital media taking centre stage across all the sub-sectors. Digital media, which was earlier being viewed as just an additional distribution platform and just another touch point, is rapidly emerging as a core revenue engine. There is a significant level of interest in building out OTT platforms. However, their viability in the short term remains a concern. This is owing to the bandwidth constraints, high cost of customer acquisition, dependence on advertisement-led models and high cost of data access.

#### Company Overview:

The Company and its subsidiary are primarily into television content production, majorly operating in southern regional languages.

TV programs during 2016-17:

Program name and language	Channel / Client	Category
Vaani Rani, Tamil	SUN TV	Daily series
Thamarai, Tamil	SUN TV	Daily series
Chinna Pappa Periya PappaSss, Tamil	SUN TV	Weekend series
Idhu Okka Prema Katha	GEMINI TV	Daily series
Yazhini	IBC Tamil TV, United Kingdom	Daily series

The most popular Tamil serial “Vaani Rani” is to make a buzz in Hindi language also as the rights to remake / reproduce the serial are sold to Zee TV Network Limited.

### **Celebrity Cricket League (CCL)**

Radaan is one among the promoters of the “Celebrity Cricket League (CCL)”, a non-professional cricketing tournament in T20 format. Sixth season of the league was recently completed between teams from Telugu, Tamil, Kannada, Malayalam, Bhojpuri, Hindi, Punjabi and Bengali film industries. The matches were played at different venues across the country and telecasted in multiple channels with national presence.

### **New-media and nonfiction:**

With increased internet subscription and availability of low cost smart phones, the digital platforms including mobile apps are gearing up for a landslide change. The future is shaping towards everywhere viewing from home entertainment. Over-the-top players are now more interested to invest for future growth. The Company is also operating on sponsorship model, therefore retaining the IP rights for future exploitation in other platforms. Both on air television contents and archived contents are being used through these platforms. There are also plans for original programming for digital streaming. This will include both in house and third party platforms and contents.

### **Financial Overview:**

The discussion and analysis given below relate to the audited financial statements of the Company and should be read in conjunction with them and related notes for the financial year ended 31<sup>st</sup> March 2017.

During the financial year, the only subsidiary of the company, M/s.Radaan Media Ventures Pte. Ltd., Singapore had no business operation. However as per applicable rules and regulations the consolidated financial statements were prepared for the year and same is also included for the discussion and analysis.

### **Financial Performance:**

#### **Revenues**

The operating revenue for the financial year both in standalone and consolidated basis was decreased, at 5 percent from Rs.3239.96 lakhs to Rs.3080.71 lakhs.

#### **Expenses**

The operating expenses both in standalone and consolidated basis were decreased during the year, by 4 percent, from Rs.2967.48 lakhs to Rs.2842.31 lakhs on standalone basis and from Rs.2969.41 lakhs to Rs.2843.84 lakhs on consolidated basis. The administration expenses incurred by the subsidiary company is reflected in the consolidated expenses.

The finance cost for the year was decreased by 15 percent, both on standalone and consolidated basis from Rs.128 lakhs to Rs.109 lakhs. The subsidiary company had not incurred any financial cost during the year.

Depreciation and amortizations expenses for the year was decreased by 18 percent on standalone basis from Rs.62.56 lakhs to Rs.51.15 lakhs. As the subsidiary company has no fixed assets, the impact on consolidation of depreciation and amortization expenses was nil.

#### **Profitability**

The profit before tax (PBT) for the year, both on standalone and consolidated basis decreased at 15 percent, from Rs.94.94 lakhs to Rs.80.76 lakhs on standalone basis and from Rs.92.84 lakhs to Rs.79.24 lakhs on consolidated basis. As percentage of revenue, the standalone PBT is decreased from 2.92 percent to 2.62 percent, and the consolidated PBT is decreased from 2.85 percent to 2.57 percent.

The profit after tax (PAT) for the year, both on standalone and consolidated basis decreased at 10 percent, from Rs.90.02 lakhs to Rs.80.91 lakhs on standalone basis and from Rs.87.92 lakhs to Rs.79.39 lakhs on consolidated basis. The standalone PAT margin is decreased from 2.77 percent to 2.62 percent and the consolidated PAT margin increased from 2.70 percent to 2.57 percent.

The earnings per share (EPS) for the year were decreased, on standalone basis from Re.0.17 to Re.0.15 and on consolidated basis from Re.0.16 to Re.0.15.

### **Financial Position:**

#### **Share Capital**

There has been no change in the position of authorized, issued, subscribed and paid up capital during the financial year, both for standalone and consolidated basis.

#### **Reserves and Surplus**

##### *Securities Premium:*

The securities premium as on the balance sheet date was remained unchanged at Rs.753.65 lakhs, both in standalone and consolidated statements.

##### *Surplus:*

The standalone surplus was Rs.234.97 lakhs and on consolidated basis the surplus was Rs.207.42 lakhs.

##### *Foreign Currency Translation Reserve:*

The foreign currency translation reserve in the consolidated statements was (-)Rs.1.21 lakhs.

### Borrowings

The loans outstanding as on 31<sup>st</sup> March 2017, on standalone basis, was Rs.861.23 lakhs, comprising of term loan of Rs.61.45 lakh and working capital cash credit of Rs.799.78 lakhs, which are secured against assets of the company. The term loan was decreased from Rs.79.68 lakhs to Rs.61.45 on repayment of installments and cash credit loan was from Rs.704.15 lakhs to Rs.799.78 lakhs on availing of additional facility from banks. Since the subsidiary company doesn't have any borrowings, the consolidated borrowings were same as of the standalone position.

### Deferred Tax Liabilities

Net deferred tax liability resulted from timing difference of depreciation on fixed assets and amortisation of tele-serial costs, on standalone basis was Rs.51.77 lakhs as at the current balance sheet date against Rs.51.92 lakhs as at the previous balance sheet date. Since the subsidiary company has not recognized any deferred tax liabilities, the net deferred tax liability in the consolidate statements was same as of the standalone position.

### Other current and long term liabilities

Other long term liabilities, were decreased on standalone basis from Rs.563.99 lakhs to Rs.509.81 lakhs and the consolidated position was same as of standalone, since the subsidiary had no such liabilities.

Other current liabilities, on standalone basis increased from Rs.81.39 lakhs to Rs.88.64 lakhs and the consolidated position was same as of standalone, since the subsidiary had no such liabilities.

### Trade payables

The trade payables as at 31<sup>st</sup> March 2017, on standalone basis decreased from Rs.231.72 lakhs to Rs.208.23 lakhs, and on consolidate basis decreased from Rs.237.29 lakhs to Rs.214.99 lakhs.

### Fixed Assets

The gross block of fixed assets as at the end of current financial year on standalone basis was increased from Rs.1804.30 lakhs to Rs.1881.82 lakhs due to the expenses towards shifting of office. The registered office and entire operation was shifted to the new location effective from 1<sup>st</sup> April 2017, and all the departments are now functioning from the new office. The subsidiary company doesn't have any fixed assets and the consolidated position of fixed assets was same as of standalone figures.

### Noncurrent Investments

There was no change in noncurrent investments during the year both on standalone and consolidated basis. The yearend standalone balance was Rs.84.41 lakhs and the consolidated balance was Rs.75.06 lakhs.

### Long term loans and advances

The long term loans and advances as at the end of current financial year was increased on standalone basis from Rs.853.17 lakhs to Rs.933.34 lakhs, which resulted mainly due to increase in prepaid taxes and tax credits. The consolidated sum of long term loans and advances were same as of the standalone figures.

### Other noncurrent assets

Other noncurrent assets, on standalone basis were decreased from Rs.957.48 lakhs to Rs.939.45 lakhs, and the consolidated sum of other current assets were same as of the standalone figures.

### Current Assets

Inventories on standalone basis, representing work in progress were decreased from Rs.209.96 lakhs to Rs.149.37 lakhs, and consolidated inventories were same as of the standalone figures.

Trade receivables on standalone basis were decreased from Rs.898.05 lakhs to Rs.775.59 lakhs, of which, debts outstanding for more than six months were decreased marginally from Rs.263.37 lakhs to Rs.260.15 lakhs (net of provisions and written-off) and other debts were decreased from Rs.634.68 lakhs to Rs.515.44 lakhs. The consolidated balance of trade receivables were same as of the standalone figures.

Cash and cash equivalents were decreased marginally, on standalone basis from Rs.12.10 lakhs to Rs.11.36 lakhs, and on consolidated basis from Rs.12.10 lakhs to Rs.11.82 lakhs.

Short term loans and advances on standalone basis increased from 107.31 lakhs to Rs.288.85 lakhs and on consolidated basis increased from Rs.94.67 lakhs to Rs.275.72 lakhs.

Other current assets both in standalone and consolidated balance sheet stands at Rs.300.00 lakhs without any change as compared to the previous year.

### Cash Flow:

#### Cash flows from operating activities

In the current financial year the company generated net cash of Rs.108.42 lakhs from operating activities, as against Rs.71.79 lakhs net utilization in previous financial year, even though operating profits before working capital changes has been decreased for the current year to Rs.241.47 lakhs as against Rs.285.89 lakhs in previous year. This is due to utilization of Rs.133.06 lakhs in working capitals, as compared to Rs.357.69 lakhs in previous financial year.

#### Cash flows from investing activities

The net cash used in investing activities during the current financial year was Rs.77.16 lakhs against Rs.13.84 lakhs in previous financial year. This is mainly attributable to purchase of fixed assets of Rs.77.27 lakhs against Rs.13.98 lakhs in previous year. Other components are provided in cash flow statement.

### Cash flows from financing activities

The net cash utilized in financing activities during the current financial year was Rs.32.00 lakhs against the net cash generated of Rs.56.57 lakhs in previous year. This is primarily attributable to availing of additional bank borrowing. Other components are provided in cash flow statement.

### Internal Control System

There is a strong internal control culture in the company, commensurating with its size and the nature of operation which and providing reliable financial and operational information, compliance of applicable statutes, safeguarding of assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. Highest standard of internal control is ensured by regular audit by the Internal Auditors. 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. The statutory auditors of the Company have issued an attestation report on the internal control over financial reporting as stated under section 143 of the Companies Act, 2013.

### 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. The 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. Changing tastes of the viewers / audience
<b>Threats:</b> a. Non-availability of adequate skilled Technicians b. Non-availability of fully reliable viewership rating system c. Low entry barriers 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

The company depends on 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 its ability or willingness to produce and telecast the programs.

Company generates revenues from sale of advertising spots during telecast of its program, which by large depend on popularity of the program. Any failure to maintain the viewership could harm business or prevent from growing, which could have a material adverse effect on the business prospects, financial condition and results of operations. The viewership rating may also dependant on measurement methodologies which is an external factor to the company.

The company's business depends in part on the adequacy, enforceability and maintenance of intellectual property rights in the entertainment products and services. 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.

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. 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.

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. 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 requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") substantially, with regard to corporate governance.

#### 1. Board of Directors

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

The Board consists of optimum combination of executive and nonexecutive/ independent directors in conformity with Regulation 7 of the SEBI Listing Regulations. Present strength of the board is 5 (five) members, three are nonexecutive and independent directors. All directors including the nonexecutive directors are suitably qualified, experienced and competent.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on 31<sup>st</sup> March 2017 have been made by the directors.

Independent directors are non-executive directors as defined under Section 149 of the Companies Act, 2013 ("Companies Act") read with Clause 16 of the SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Companies Act. All the Independent Directors have confirmed that they meet the required criteria of independence. The terms and conditions of appointment of the independent directors are disclosed on the website of the company.

##### 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.

The 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 meetings and committee meetings to provide necessary information on relevant agenda. The agenda papers normally get circulated prior to the meeting. The Company Secretary attends all board meetings 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 and the dates on which the said meetings were held are, 28<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016 and 14<sup>th</sup> February 2017. The necessary quorum was present for all the meetings.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on 31<sup>st</sup> March 2017 are given in table below.

##### 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 2017. The Annual report contains a declaration to this effect signed by the Chairperson & Managing Director.

##### d) Prohibition of Insider Trading

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has framed the following codes:

- (i) Code of practice and procedure for fair disclosure of unpublished price sensitive information (Fair Disclosure Code)
- (ii) Code of conduct to regulate, monitor and report trading by employees and other connected persons (Insider Trading Code)



Composition of Board of Directors and Attendance:								
Name and designation	Category	Number of board meetings held during the year		Attendance at AGM held on 12 <sup>th</sup> September 2016	Number of directorships in other Public Companies		Number of committee positions held in other public companies	
		Held	attended		Chairman	Member	Chairman	Member
Mrs.Radha.Radikaa Sarathkumar, Chairperson & Managing Director DIN:00238371	Executive Director	4	3	Yes	--	--	--	--
Mr. Ramanathan Sarathkumar, Director –Operations DIN:00238601	Executive Director	4	2	Yes	--	--	--	--
Mr.Arunachalam Krishnamoorthy, Director DIN:00386122	Non-executive Independent Director	4	4	Yes	1	2	2	1
Mr.Janardhan Krishnaprasad, Director DIN:03397294	Non-executive Independent Director	4	4	Yes	--	2	--	--
Mr.Vellayan Selvaraj, Director DIN:00052444	Non-executive Independent Director	4	4	Yes	--	1	--	--

Other directorships do not include directorships of private limited companies, Section 8 companies and foreign companies. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee. None of the directors are related to any other director, except Mr.Ramanathan Sarathkumar and Mrs.Radha Radikaa Sarathkumar being spouse.

## 2. Board Committees

### a) Audit Committee

The audit committee is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Companies Act.

Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and it functions as per the terms of reference made to it, which, *inter-alia*, includes: overseeing the financial reporting process to ensure proper disclosure of financial statements; recommending appointment / removal of statutory auditors, fixing their remuneration, review and monitor their independence and performance; reviewing the annual financial statements before submission to the Board; review and monitor of 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; review and approval of transactions with related parties; review functioning of whistle blower policy, etc. The terms of reference to the audit committee is published in the website of the company.

During the financial year the Audit Committee has met four (4) times, on 28<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016 and 14<sup>th</sup> February 2017. Necessary quorum was present for all meetings. Minutes of each meeting was placed before the board and discussed. The Chief Financial Officer, representatives of Internal Auditors / 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 during the year	
		Held	Attended
Mr.A Krishnamoorthy	Chairman	4	4
Mr.R Sarathkumar	Member	4	2
Mr.J Krishnaprasad	Member	4	4
Mr.V Selvaraj	Member	4	4

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

**b) Stakeholders' Relationship Committee**

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Companies Act, to look into, *inter alia*, the investor grievances such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc.

During the year the committee has met once, on 28<sup>th</sup> May 2016. The requisite quorum was present for the meeting.

Composition of the Stakeholders' Relationship Committee and attendance during the year:

Name	Designation	No of meetings during the year	
		Held	Attended
Mr.J Krishnaprasad	Chairman	1	1
Mr.R Sarathkumar	Member	1	1
Mr.V Selvaraj	Member	1	1

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  
 Radaan Mediaworks India Limited  
 No.14, Jayammal Road, Teynampet, Chennai –18  
 Phone – 04424313001; Fax – 04424313008  
 Email for investor grievances – investors@radaan.tv

**c) Nomination and Remuneration Committee:**

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations read with Section 178 of the Companies Act. The committee comprises of three (3) nonexecutive independent directors.

During the year the committee has met once, on 12<sup>th</sup> August 2016. The requisite quorum was present for the meeting.

Composition of the Nomination & Remuneration Committee and attendance during the year:

Name	Designation	No of meetings during the year	
		Held	Attended
Mr.A Krishnamoorthy	Chairman	1	1
Mr.J Krishnaprasad	Member	1	1
Mr.V Selvaraj	Member	1	1

Roles and responsibilities of the nomination and remuneration committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The nomination and remuneration policy of the Company along with terms of reference to the committee is published on website of the Company. The Company follows a performance based remuneration policy, which enables to attract, retain and motivate the employees to create high performance culture. Whole-time executive directors only receive regular remuneration. Mrs.R Radikaa Sarathkumar is not entitled to any remuneration as Managing Director, and she receives only professional fees for acting in/ creative direction of various programs, shows, events etc.. 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 2017:

Name	Professional Fees / Remuneration (in Rs)	Sitting fees (in Rs)
Ms. R. Radikaa Sarathkumar	1,93,50,000	NIL
Mr.R.Sarathkumar	42,00,000	NIL
Mr.A Krishnamoorthy	NIL	1,50,000
Mr.J Krishna Prasad	NIL	1,60,000
Mr.V Selvaraj	NIL	1,60,000

### 3. General Body Meeting

a) Details of last three Annual General Meeting:

Year	Date	Time	Venue
2016	12 <sup>th</sup> September 2016	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai
2015	25 <sup>th</sup> September 2015	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai
2014	29 <sup>th</sup> September 2014	10.00A.M.	Guindy Lodge Madras Race Club, Guindy, Chennai

b) No extraordinary general meeting of the members was held during the financial year ended 2016-17

c) Details of the special resolution passed at the above stated annual general meetings:

At the Annual General Meeting held on 12<sup>th</sup> September 2016

- Approval for Alteration of Articles of Association
- Reappointment of Mrs.R Radikaa Sarathkumar as Chairperson & Managing Director
- Reappointment of Mr.R Sarathkumar as Whole-time Director
- Authorisation to Borrow Funds in excess of paid-up capital and free reserves

At the Annual General Meeting held on 25<sup>th</sup> September 2015

- Approval for increasing remuneration of Mr.Ramanathan Sarathkumar, Whole-time Director

At the Annual General Meeting held on 29<sup>th</sup> September 2014

- Approval for appointment of Ms.Rayane, daughter of Mrs.R Radikaa Sarathkumar, as an Executive Trainee

d) During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

### 4. Disclosures:

a) Related party transactions

In the ordinary 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. The board has approved a policy for related party transactions which has been published on the Company's website.

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

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior, same has been published in the company's website. As per the policy the Chairman of the Audit Committee is the nodal point for receiving, assessing and placing complaints before the Audit Committee, and the Audit Committee disposes the complaint on a best suitable manner either by referring to a concerned department head or any member of the Audit Committee to investigate the matter. No person has been denied access to the chairman of the audit committee. During the reporting period no complaint had been received under the policy.

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 compliance certificate submitted to the Board by the Chairperson & Managing Director and the Chief Financial Officer under Regulation 17(8) of the SEBI Listing Regulations 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 and also disbursed through NSE and BSE.

### 6. General Shareholders Information

- a) Date, time and venue of Annual General Meeting : 30<sup>th</sup> September, 2017 11:00 a.m., at Madras Race Club, Guindy Lodge, Guindy, Chennai - 600032
- b) Financial Calendar 2017-18 :
- First quarter (April – June) Result – by second week of September 2017
  - Second quarter (July – September) Result – by second week of December 2017
  - Third quarter (October – December) Result – by second week of February 2018
  - Fourth quarter (January – March) Result – by fourth week of May 2018
- c) Date of Book Closure : 24<sup>th</sup> September, 2017 to 30<sup>th</sup> September, 2017 (both days inclusive)
- d) Dividend payment date : No dividend is recommended

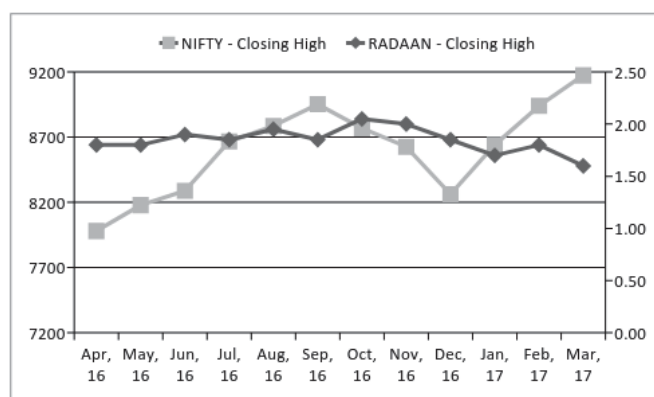
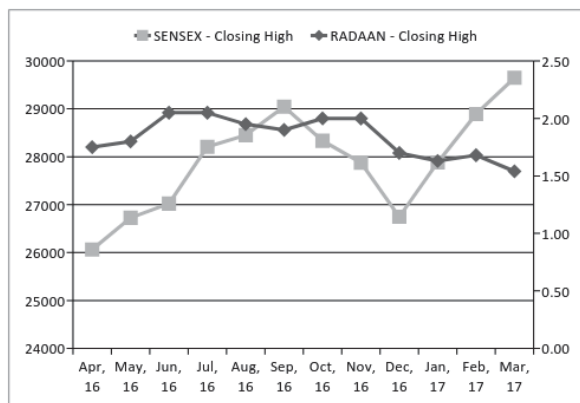
- e) Listing on Stock Exchanges : Shares of the company are listed in –  
The National Stock Exchange of India Limited (NSE)  
Shares of the company are also traded in the Bombay Stock Exchange Limited (BSE) under permitted category
- f) Stock Code : BSE – 590070  
NSE – RADAAN
- g) Listing Fees : Listing fees as applicable have been paid.
- h) Registered Office/Address for communication : No.14, Jayammal Road, Teynampet, Chennai - 600 018. India.  
Phone – 04424313001; Fax – 04424313008
- i) Stock Market Data :

Monthly high and low quotations as well as the volume of shares traded during each month from April 2016 to March 2017 on NSE and BSE :

PERIOD	BSE			NSE		
	High Price (Rs.)	Low Price (Rs.)	Total number of Shares traded	High Price (Rs.)	Low Price (Rs.)	Total number of Shares traded
April, 2016	1.83	1.41	1,02,331	1.85	1.65	44,296
May, 2016	1.84	1.38	2,11,467	1.80	1.60	1,83,775
June, 2016	2.10	1.50	3,39,780	1.90	1.60	47,668
July, 2016	2.05	1.67	1,36,551	1.85	1.70	17,811
August, 2016	2.00	1.67	2,34,223	1.95	1.75	1,41,087
September, 2016	1.90	1.48	74,691	1.85	1.65	19,474
October, 2016	2.00	1.71	1,53,473	2.05	1.70	60,771
November, 2016	2.10	1.62	1,33,130	2.00	1.85	8,503
December, 2016	1.70	1.19	1,09,181	1.85	1.45	12,953
January, 2017	1.67	1.13	2,34,400	1.70	1.45	62,187
February, 2017	1.75	1.41	1,00,969	1.80	1.65	1,451
March, 2017	1.61	1.14	1,33,696	1.60	1.55	11,250

Sources: [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://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](mailto: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 2017

## (i) Distribution of shareholding:

Shareholding	Shareholders		Shares	
	Number	Percentage	Number	Percentage
Upto 2500	10,234	88.49	57,14,508	10.55
2501 – 5000	694	6.00	27,35,904	5.05
5001 – 10000	331	2.86	25,83,370	4.77
10001 – 15000	104	0.90	12,87,673	2.38
15001 – 20000	55	0.48	9,90,428	1.83
20001 – 25000	30	0.26	6,98,474	1.29
25001 – 50000	65	0.56	22,21,565	4.10
50001 and above	52	0.45	3,79,29,618	70.03
<b>Total</b>	<b>11565</b>	<b>100.00</b>	<b>5,41,61,540</b>	<b>100.00</b>

## (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	60,10,182	11.10
NRIs/ OCBs/ Foreign Nationals	3,00,450	0.56
Clearing Member	19,380	0.04
Trusts	22,700	0.04
Individuals and others general public	1,98,09,038	36.56
<b>TOTAL</b>	<b>5,41,61,540</b>	<b>100.00</b>

## (iii) Shareholding by directors/ promoters:

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
<b>Total</b>	<b>2,78,49,790</b>	<b>51.42</b>

## 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 2017 total no of shares in dematerialized form was 5,39,83,507 representing 99.67% of the total share capital. These shares are held in 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) 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.

## p) Plant Locations

The Company is into Media and Entertainment Industry and operates from its Registered office at No.14, Jayammal Road, Teynampet, Chennai – 600018. The primary business of the company is production of entertainment contents and as shooting of the content takes place on different locations based on requirement of particular storyline hence such locations may not be specified.

For and on behalf of the Board of Director

Place: Chennai  
Date: 29<sup>th</sup> August 2017

-sd-  
R Radikaa Sarathkumar  
Chairperson & Managing Director

**Declaration pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Conduct by the Board Members and Senior Management Personnel**

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 2017, received from the Senior Management Team of the Company and the Members of the Board of Directors a declaration of compliance with the Code of Conduct as applicable to them.

Chennai  
29<sup>th</sup> August 2017

-sd-  
R.Radikaa Sarathkumar  
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 financial year ended 31<sup>st</sup> March 2017, as stipulated under Regulation numbers 17 to 27, clause (b) to (i) of Regulation 46(2), Schedule II and Schedule V (paragraphs C, D and E of the Securities and Exchange Board of India (LODR), Regulations, 2015.

The Company's management is responsible for compliance with the conditions of the Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the year ended 31<sup>st</sup> March, 2017, complied with the applicable conditions of Corporate Governance.

We further wish to state that our opinion regarding 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 during the said financial year.

Place: Chennai  
Dated: 26.05.2017

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/S200036  
-sd-  
C N GANGADARAN  
Partner  
Memb.No.11205

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

To,  
The Board of Directors,  
Radaan Mediaworks India Limited

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

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2017 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) 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.
2. 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.
3. 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 system of the company pertaining to financial reporting. Internal Auditors report significant issues to the Audit Committee. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses of such internal controls.
4. We have indicated to the Auditors and the Audit committee:
  - a) significant changes, if any, in internal control over financial reporting;
  - b) significant changes, if any, in accounting policies; and
  - c) 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.

R. Radikaa Sarathkumar  
Chairperson & Managing Director

M. Kavirimani  
Chief Financial Officer

Place : Chennai  
Date : 26<sup>th</sup> May, 2017

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of RADAAN MEDIAWORKS INDIA LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s RADAAN MEDIAWORKS INDIA LIMITED** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 2.39.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.41.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/S200036

-sd-  
C N GANGADARAN  
Partner  
Memb.No.011205

Place: Chennai  
Date: 26<sup>th</sup> May, 2017

#### Annexure 1 to the auditor's report

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i.
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
  - c) In our opinion and according to the information and explanation given to us, there are no immovable properties held in the name of the Company. Accordingly, sub clause (c) of clause (i) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. The company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act. Accordingly, reporting under this clause does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given loans, guarantee or provide security to Directors or any other person in whom Director is interested. Accordingly, clause iv of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.



- vi. Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company. Accordingly, clause vi of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.
- vii. a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
- b) As at 31<sup>st</sup> March 2017 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

S.No	Period	Nature of Dues	Not Paid (in `)	Forum where Pending
1	Oct 2004-Sep 2007	Service tax	19,30,27,340	CESTAT, Chennai
2	Oct 2007-Sep 2010	Service tax	4,68,55,299	CESTAT, Chennai
3	Oct 2010-Sep 2012	Service tax	3,60,84,169	CESTAT, Chennai
4	FY 2007-08	Service tax	3,09,000	CESTAT, Chennai
5	April 2001-March 2006	Sales tax	48,40,18,098	Rs.2,28,60,665 before Appellate Deputy Commissioner (CT), the same has been remanded by the ADC and sent back to assistant commissioner. Rs.46,11,57,433 -interim stay granted earlier by Hon'ble High Court of Madras is made absolute vide order dated 19.11.2014.
6	AY 2009-10	Income Tax	5,89,640	CIT Appeal

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.
- ix. In our opinion, term loans have been applied for the purposes for which they were raised. During the year, the company has not raised money by way of initial public offer or further public offer.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial period.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, accordingly clause (xiv) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/S200036

Place: Chennai

Date: 26<sup>th</sup> May, 2017

-sd-  
C N GANGADARAN  
Partner  
Memb.No.011205

## Annexure 2 to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s RADAAN MEDIAWORKS INDIA LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNGSN & ASSOCIATES LLP,  
Chartered Accountants  
F.R.No.004915S/S200036

Place: Chennai  
Date: 26<sup>th</sup> May, 2017

-sd-  
C N GANGADARAN,  
Partner,  
Memb.No.011205

## STANDALONE BALANCE SHEET

PARTICULARS	NOTE	AS AT 31/03/2017 (Amt in Rs.)	AS AT 31/03/2016 (Amt in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.01	10,83,23,080	10,83,23,080
(b) Reserves and Surplus	2.02	9,88,63,066	9,07,72,105
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowings	2.03	41,14,791	61,39,171
(b) Deferred Tax Liabilities	2.04	51,77,361	51,91,816
(c) Other Long term Liabilities	2.05	5,09,81,467	5,63,99,482
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	2.06	7,99,78,009	7,04,15,005
(b) Trade Payables	2.07	2,08,23,682	2,31,71,831
(c) Other Current Liabilities	2.08	88,64,339	81,38,967
<b>Total</b>		<b>37,71,25,795</b>	<b>36,85,51,457</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.09	2,04,83,598	2,63,03,141
(ii) Intangible Assets	2.09	-	-
(iii) Capital Work-in-progress	2.09	84,05,204	-
(b) Non-Current Investments	2.10	84,41,000	84,41,000
(c) Long-term Loans and Advances	2.11	9,33,33,938	8,53,16,851
(d) Other non-current Assets	2.12	9,39,45,384	9,57,48,244
<b>(2) Current Assets</b>			
(a) Inventories	2.13	1,49,36,973	2,09,95,652
(b) Trade Receivables	2.14	7,75,59,472	8,98,05,334
(c) Cash and Cash equivalents	2.15	11,35,622	12,10,177
(d) Short-term loans and advances	2.16	2,88,84,604	1,07,31,058
(e) Other Current Assets	2.17	3,00,00,000	3,00,00,000
<b>Total</b>		<b>37,71,25,795</b>	<b>36,85,51,457</b>
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

-sd-  
**C.N.Gangadaran**  
 Partner  
 Membership No.: 011205

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

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

As per our report attached  
 For M/s.CNGSN & Associates LLP  
 Chartered Accountants  
 F.R.No.: 004915S LLP.No.:S200036

Place : Chennai  
 Date : 26th May 2017

**STANDALONE PROFIT AND LOSS STATEMENT**

PARTICULARS	NOTE	YEAR ENDED 31/3/2017 (Amt in Rs.)	YEAR ENDED 31/3/2016 (Amt in Rs.)
<b>INCOME</b>			
Revenue from Teleserial / Films / Events & Shows / Digital Income	2.18	30,80,71,226	32,39,96,242
Other Income	2.19	2,93,075	13,32,349
<b>Total Income - A</b>		<b>30,83,64,301</b>	<b>32,53,28,591</b>
<b>EXPENDITURE</b>			
Expenses on Tele-serials, events etc.,	2.20	23,87,54,939	26,06,63,809
Changes in Inventories & Work-in-progress	2.21	60,58,679	(19,07,078)
Employee Benefit Expenses	2.22	2,10,92,749	2,28,90,116
Other expenses	2.23	1,83,25,280	1,51,01,325
Finance Cost	2.24	1,09,40,616	1,28,30,777
Depreciation and amortization Expenses	2.09	51,15,532	62,56,077
<b>Total Expenditure - B</b>		<b>30,02,87,795</b>	<b>31,58,35,026</b>
Profit Before Exceptional Items & Tax (A - B)		80,76,506	94,93,565
Exceptional Items		-	-
Profit Before Extraordinary Items		80,76,506	94,93,565
Extraordinary Items		-	-
Profit Before Tax		80,76,506	94,93,565
Tax Expenses : (1) Current Tax		-	-
(2) Deferred Tax		(14,455)	4,91,603
Profit After Tax		80,90,961	90,01,962
Extraordinary item (net of tax expense)		-	-
Net Profit / (Loss)		80,90,961	90,01,962
Earnings per Equity Share:	2.25		
(1) Basic		0.15	0.17
(2) Diluted		0.15	0.17
Significant accounting policies and notes on accounts 1 & 2			

On behalf of the Board of Directors

As per our report attached  
For M/s.CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.: 004915S LLP.No.:S200036

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

-sd-  
**A.Krishnamoorthy**  
Director

-sd-  
**C.N.Gangadaran**  
Partner  
Membership No.: 011205

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

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

Place : Chennai  
Date : 26th May 2017

**STANDALONE CASH FLOW STATEMENT**

PARTICULARS	YEAR ENDED 31/03/2017 (Amt in Rs.)		YEAR ENDED 31/03/2016 (Amt in Rs.)	
	<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit before Tax		80,76,506		94,93,565
Add: Finance Charges	1,09,40,616		1,28,30,777	
Depreciation	51,15,532		62,56,077	
Loss on sale of fixed assets	15,407	1,60,71,555	10,220	1,90,97,074
		2,41,48,061		2,85,90,639
Less: Dividend Received		300		1,200
Operating Profit before Working Capital Changes		2,41,47,761		2,85,89,439
(Increase) / Decrease in Inventories & Work In Progress	60,58,679		(19,07,078)	
(Increase) / Decrease in Trade Receivables	1,22,45,862		(66,58,112)	
(Increase) / Decrease in Value of FCTS/Teleserial rights and staff benefit plans and other non current assets	18,02,860		(2,45,645)	
Increase / (Decrease) in marketing advance & staff plan obligations and long term liabilities	(54,18,015)		49,21,169	
(Increase) / Decrease in Long term Loans & Advances	(80,17,088)		(75,71,759)	
(Increase) / Decrease in Short term Loans & Advances	(1,81,53,546)		(54,48,231)	
(Increase) / Decrease in other current assets	-		(3,00,00,000)	
Increase / (Decrease) in trade payables	(23,48,149)		1,04,55,859	
Increase / (Decrease) in Current Liabilities	5,23,796	(1,33,05,601)	6,85,075	(3,57,68,721)
<b>Cash Generated from Operating Activities (A)</b>		<b>1,08,42,160</b>		<b>(71,79,282)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
<b>Cash Outflow</b>				
Purchase of Fixed Assets	(77,27,099)		(13,98,226)	
<b>Cash Inflow</b>				
Sales proceeds of Fixed Assets	10,500		13,000	
Dividend Received	300		1,200	
<b>Net Cash from Investing Activities (B)</b>		<b>(77,16,299)</b>		<b>(13,84,026)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase / (Decrease) in Bank Borrowings-Term Loan	(18,22,804)		(16,40,037)	
Increase / (Decrease) in Other Secured Loans- Working Capital	95,63,004		2,01,27,638	
Finance Charges	(1,09,40,616)		(1,28,30,777)	
<b>Net Cash from Financing Activities (C)</b>		<b>(32,00,415)</b>		<b>56,56,824</b>
Net Increase in Cash & Cash Equivalents (A+B+C)		<b>(74,555)</b>		<b>(29,06,484)</b>
Cash & Cash Equivalents at the beginning of the year		12,10,177		41,16,661
Cash & Cash Equivalents at the end of the year		11,35,622		12,10,177
Net Increase / (Decrease) in Cash & Cash equivalents		<b>(74,555)</b>		<b>(29,06,484)</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

As per our report attached  
For M/s.CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.: 004915S LLP.No.:S200036

-sd-

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

-sd-

**A.Krishnamoorthy**  
Director

-sd-

**C.N.Gangadaran**  
Partner  
Membership No.: 011205

-sd-

**M.Kavirmani**  
Chief Financial Officer

-sd-

**Kanhu Charan Sahu**  
Company Secretary

Place : Chennai  
Date : 26th May 2017

## 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 is provided based on useful life of the assets in accordance with requirement of Part C of Schedule II of Companies Act, 2013.
2. Brand Equity, Goodwill and Software Library 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:
  - (i) 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.
  - (ii) 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 the recoverability. The recoverability thereof shall be reviewed periodically for suitable provision considered necessary. Provision so made shall be written off from the books of account equally over a period of six years.

**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 on Standalone financial statements**

PARTICULARS	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>2.01 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 holder of equity shares is entitled to one vote per share.		
- The Reconciliation of the number of shares outstanding and the amount of share capital as at 31 <sup>st</sup> March, 2017 and 31 <sup>st</sup> March 2016 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>2.02 Reserves &amp; Surplus</b>		
Securities Premium Reserve - on Equity Shares - A	7,53,65,634	7,53,65,634
Surplus		
Opening Balance	1,54,06,471	64,04,509
Add : Net profit after tax transferred from statement of Profit & Loss	80,90,961	90,01,962
Closing Balance - B	2,34,97,432	1,54,06,471
<b>Total ( A + B )</b>	<b>9,88,63,066</b>	<b>9,07,72,105</b>
<b>2.03 Long Term Borrowings</b>		
Term Loans - Secured - From Banks		
- Vehicle	41,14,791	61,39,171
Secured by hypothecation of respective assets together with personal guarantee of Chairperson & Managing Director to be repaid over 60 equated monthly instalments.	<b>41,14,791</b>	<b>61,39,171</b>
<b>2.04 Deferred Tax Liability</b>		
The Net Deferred Tax Liability comprise of the following :		
Depreciation on Fixed Assets	49,51,222	51,39,046
Amortisation of Teleserial cost	2,26,138	52,769
Closing Deferred Tax Liability	<b>51,77,360</b>	<b>51,91,815</b>
Less: Opening Deferred Tax Liability	51,91,815	47,00,212
Net Deferred Tax Liability Charged / (Reversed)	(14,455)	4,91,603
The details of deferred tax liability reversal for the year are as follows:		
<b>Amortisation of Teleserial cost:</b>		
A. As per Books of account	2,93,54,900	2,78,77,128
B. As per Income tax Act	2,99,15,965	2,99,16,006
Total ( B - A )	5,61,065	20,38,878
Deferred Tax Liability for the year Charged / (Reversed)	1,73,369	6,93,015
<b>Depreciation on Fixed Assets:</b>		
A. As per Books of account	51,15,532	62,56,077
B. As per Income tax Act	45,07,686	56,63,513
Total ( B - A )	(6,07,846)	(5,92,564)
Deferred Tax Liability for the year Charged / (Reversed)	(1,87,824)	(2,01,413)
Net Deferred Tax Liability Charged / (Reversed)	<b>(14,455)</b>	<b>4,91,602</b>
<b>2.05 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 2.30 & 2.31	37,02,106	32,01,594
The advances received from customers (1) for assignment of rights for sale of FCT's for various tele-serials and (2) other programs	2,54,54,721	3,13,73,248
	<b>5,09,81,467</b>	<b>5,63,99,482</b>



PARTICULARS	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>2.06 Short Term Borrowings</b>		
Secured		
Cash Credit from Bank	7,99,78,009	7,04,15,005
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>7,99,78,009</b>	<b>7,04,15,005</b>
<b>2.07 Trade Payables</b>		
Sundry creditors for expenses	2,08,23,682	2,31,71,831
	<b>2,08,23,682</b>	<b>2,31,71,831</b>
<b>2.08 Other Current Liabilities</b>		
Salaries & other employee's Benefits	14,55,889	15,63,199
Current Maturities of long-term debts		
From Banks		
- Vehicle	20,30,698	18,29,122
Provision for Expenses	21,13,314	13,18,153
Retention Money	50,000	50,000
Withholding & other taxes Payable	10,93,880	14,22,901
Advances received from distributors / suppliers	2,50,000	2,50,000
Telecast fee payable	18,70,558	17,05,592
	<b>88,64,339</b>	<b>81,38,967</b>
<b>2.10 Non Current Investments</b>		
Long Term Investment - at cost		
Trade - Unquoted		
Investments in equity instruments		
7,50,000 equity shares of Rs.10/ each in Celebrity Cricket League Private Limited (Refer Note 2.27)	75,00,000	75,00,000
20,000 equity shares of singapore dollar 1/- each in Radaan Media Ventures Pte. Ltd. (Refer Note 2.26)	9,35,000	9,35,000
Others - Quoted		
Investments in equity instruments		
600 equity shares of Rs.10/- each in Andhra Bank	6,000	6,000
Market value as on 31.03.2017 is Rs.34,770/- (Previous Year Rs.31,350/-)		
	<b>84,41,000</b>	<b>84,41,000</b>
<b>2.11 Long Term Loans &amp; Advances</b>		
Unsecured, Considered Good		
Electricity & other Deposits	7,08,938	7,03,938
Rental Deposits	16,00,000	16,12,000
Telecast fee Security Deposit with Channel	54,19,680	58,99,680
Lease Advance (Refer Note 2.28 & 2.29)	2,20,00,000	2,00,00,000
Other Loans & Advances:		
Prepaid taxes incl. tax credits (net of provisions)	5,85,94,920	5,20,90,832
Deposits with sales tax authorities	50,10,401	50,10,401
	<b>9,33,33,939</b>	<b>8,53,16,851</b>
<b>2.12 Other Non Current Assets</b>		
a) Value of unsold FCT's (Refer significant accounting policy 1 d)		
Opening Balance	2,47,28,192	2,74,36,772
Less: Provided & Written off (Refer note 2.33 a)	26,60,400	27,08,580
Closing Balance	2,20,67,792	2,47,28,192
b) Tele-serial Rights		
(Refer significant accounting policy 1 c 6)		
Opening Balance	4,43,12,907	4,22,74,029
Add : 20% to be written off equally over next two years	2,99,15,965	2,99,16,006
Less : Proportionate amount to be written off relating to earlier years	(2,93,54,900)	(2,78,77,128)
Closing Balance	4,48,73,972	4,43,12,907
c) Gratuity & Leave encashment plan assets (Refer Note 2.30 & 2.31)	43,50,016	40,53,541
d) Film Line Production - Advances	2,17,36,362	2,17,36,362
e) other assets	58,45,052	58,45,052
Less : Provisions made	49,27,810	49,27,810
	9,17,242	9,17,242
(Total a+b+c+d+e)	<b>9,39,45,384</b>	<b>9,57,48,244</b>

2.09. FIXED ASSETS SCHEDULE UNDER THE COMPANIES ACT, 2013												(Amt in Rs.)	
Sl. NO	Particulars	Useful Life in years	GROSS BLOCK			DEPRECIATION			NET BLOCK				
			As at 01/04/2016	Additions	** Deletions / Withdrawals	As at 31/03/2017	For the Period	Deletions / Withdrawals	As at 01/04/2016	As at 31/03/2017			
<b>I. Tangible Assets</b>													
1	Leasehold Rights & Improvements	-	1,49,80,180		7,41,000	1,42,39,180	1,16,83,264	6,95,311		1,23,78,573	32,96,916	18,60,607	
2	Camera Equipments	13	33,00,050			33,00,050	28,60,871	35,860		28,96,731	4,39,179	4,03,319	
3	Computer	3	72,95,724	-		72,95,724	57,87,590	5,46,400		63,33,990	15,08,134	9,61,734	
4	Software / Content Library	-	8,37,20,000			8,37,20,000	8,37,20,000	-		8,37,20,000	-	-	
5	Studio Bulbs	-	5,17,769			5,17,769	5,17,769	-		5,17,769	-	-	
6	Vehicles	8 & 10	1,69,78,055	62,895	45,420	1,69,95,530	50,35,797	20,17,628	19,513	70,33,912	1,19,42,258	99,61,618	
7	Studio Equipments	13	2,90,66,612	-		2,90,66,612	2,21,53,416	12,39,139		2,33,92,555	69,13,196	56,74,057	
8	Furniture & Fittings	10	35,98,864	-		35,98,864	24,73,677	1,66,179		26,39,856	11,25,186	9,59,007	
9	Office Equipments	5	21,44,236	-		21,44,236	16,73,639	3,01,480		19,75,119	4,70,597	1,69,117	
10	Airconditioner	5	7,75,291			7,75,291	6,52,137	53,718		7,05,855	1,23,154	69,436	
11	Generator	10	11,29,103	-		11,29,103	7,07,167	51,907		7,59,074	4,21,936	3,70,029	
12	Stabilizer & UPS	10	4,24,290			4,24,290	3,61,706	7,911		3,69,617	62,584	54,673	
	<b>Total I</b>		<b>16,39,30,174</b>	<b>62,895</b>	<b>7,86,420</b>	<b>16,32,06,649</b>	<b>13,76,27,033</b>	<b>51,15,532</b>	<b>19,513</b>	<b>14,27,23,050</b>	<b>2,63,03,140</b>	<b>2,04,83,598</b>	
<b>II. Intangible Assets</b>													
1	Brand Equity	-	75,00,000	-	-	75,00,000	75,00,000	-	-	75,00,000	-	-	
2	Goodwill	5	75,00,000	-	-	75,00,000	75,00,000	-	-	75,00,000	-	-	
3	IPR / Remake Rights	5	15,00,000	-	-	15,00,000	15,00,000	-	-	15,00,000	-	-	
	<b>Total II</b>		<b>1,65,00,000</b>	<b>-</b>	<b>-</b>	<b>1,65,00,000</b>	<b>1,65,00,000</b>	<b>-</b>	<b>-</b>	<b>1,65,00,000</b>	<b>-</b>	<b>-</b>	
<b>III. Capital W.I.P.</b>													
1.	Capital W.I.P.++			84,05,204		84,05,204	-			-		84,05,204	
	<b>Total III</b>		<b>-</b>	<b>84,05,204</b>	<b>-</b>	<b>84,05,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,05,204</b>	
	<b>GRAND TOTAL</b>		<b>18,04,30,174</b>	<b>84,68,099</b>	<b>7,86,420</b>	<b>18,81,11,853</b>	<b>15,41,27,033</b>	<b>51,15,532</b>	<b>19,513</b>	<b>15,92,23,050</b>	<b>2,63,03,140</b>	<b>2,88,88,802</b>	

++ The expenditure incurred for office interior and studio set up at the new premises including of utilisation of materials re-used from the existing leasehold property.

PARTICULARS	As At 31.03.2017 (Amt in Rs.)	As At 31.03.2016 (Amt in Rs.)
<b>2.13 Inventories</b> (Refer significant accounting policy 1 d)		
Work in progress - teleserials	1,49,36,973	2,09,95,652
	<b>1,49,36,973</b>	<b>2,09,95,652</b>
<b>2.14 Trade Receivables</b>		
Debts outstanding for a period exceeding six months		
Unsecured		
Considered Good	2,60,15,079	2,63,37,439
Considered Doubtful	1,41,07,975	2,41,42,215
- Total a	4,01,23,054	5,04,79,654
Less : Provision for Doubtful debts	40,73,735	1,41,07,975
Written off during the period (Refer Note 2.33 b)	1,00,34,240	1,00,34,240
	2,60,15,079	2,63,37,439
Other debts		
Unsecured Considered Good	5,15,44,393	6,34,67,894
Unsecured Considered Doubtful	-	-
- Total b	5,15,44,393	6,34,67,894
(Total a+b)	<b>7,75,59,472</b>	<b>8,98,05,334</b>
<b>2.15 Cash and Cash Equivalents</b>		
Cash on Hand	3,35,352	75,053
Balance with Banks in Current Accounts	8,00,270	11,35,124
	<b>11,35,622</b>	<b>12,10,177</b>
<b>2.16 Short Term Loans and Advances</b>		
Unsecured, Considered Good		
Loans and advances to employees	4,84,047	5,53,875
Advances to Artists	17,30,268	-
Advances to Technicians	43,756	1,43,700
Advance - Productions	1,40,92,454	76,77,648
Radaan Media Ventures Pte. Ltd #	13,12,443	12,63,889
Prepaid expenses	78,498	2,05,908
Advance - US Events	1,08,75,000	-
Advance - others	2,36,500	7,99,471
Other taxes credits	31,638	86,567
- Total a	2,88,84,604	1,07,31,058
Unsecured, Considered doubtful		
Loans and advances to employees & Technicians	6,65,003	6,65,003
Less: Provision made	6,65,003	6,65,003
- Total b	-	-
# wholly owned subsidiary (Total a+b)	<b>2,88,84,604</b>	<b>1,07,31,058</b>
<b>2.17 Other Current Assets</b>		
Line Production - Pictures	1,04,01,906	1,04,01,906
Advance for Film Acquisition rights	3,00,00,000	3,00,00,000
- Total a	4,04,01,906	4,04,01,906
Less : Provisions made	1,04,01,906	1,04,01,906
- Total b (Total a-b)	<b>3,00,00,000</b>	<b>3,00,00,000</b>
PARTICULARS	YEAR ENDED 31/03/2017 (Amt in Rs.)	YEAR ENDED 31/03/2016 (Amt in Rs.)
<b>2.18 Revenue from Teleserials / Films / Events &amp; Shows</b>		
Income from teleserials / Events & shows etc.,	28,07,62,628	30,02,22,627
Digital Income	2,73,08,598	2,15,23,615
Re run rights	-	22,50,000
	<b>30,80,71,226</b>	<b>32,39,96,242</b>
<b>2.19 Other Income</b>		
Gain on foreign currency reinstatement	52,730	1,13,611
Dividend income from Andhra Bank	300	1,200
Other Misc. Income	2,40,045	12,17,538
	<b>2,93,075</b>	<b>13,32,349</b>

PARTICULARS	YEAR ENDED 31/03/2017 (Amt in Rs.)	YEAR ENDED 31/03/2016 (Amt in Rs.)
<b>2.20 Expenses on television shows etc.,</b>		
Payments to Artists	3,49,82,021	3,91,75,537
Dubbing Charges & Artists Expenses etc.,	20,63,800	18,22,526
Telecast Charges	12,69,36,525	12,98,23,950
Art & Set Properites Rent	12,66,101	23,05,154
Payments to Technicians	2,85,10,542	3,50,52,330
Other Production Expenses	36,01,398	43,17,695
Titling & Effect Charges	4,17,500	5,02,850
Batta Expenses	1,40,88,405	1,49,39,228
Costumes & Makeup	8,74,822	14,49,241
Lighting & Generator Hire Charges	21,51,836	27,03,597
Equipment Hire & Maintenance Charges	4,66,444	9,03,889
Travel, Stay & other expenses - Production	40,49,377	54,20,351
Vehicles Maintenance & Hire Charges	37,39,713	45,32,058
Storage devices	19,450	6,725
Unsold FCT Written off (Refer Note 2.33 a)	26,60,400	27,08,580
Production Expenses - Teleserials / Events	3,26,931	21,13,049
Location Rent	77,57,322	83,69,397
Catering Expenses	54,03,417	65,56,530
Amorisation of Tele Serial rights	2,93,54,900	2,78,77,128
	26,86,70,904	29,05,79,815
Less: Teleserial Expenses deferred	2,99,15,965	2,99,16,006
	<b>23,87,54,939</b>	<b>26,06,63,809</b>
<b>2.21 Changes in Inventories &amp; Work-in-progress</b>		
Opening Balance:		
Work in progress - television shows	2,09,95,652	1,90,88,574
Total A	2,09,95,652	1,90,88,574
Closing Balance:		
Work in progress - television shows	1,49,36,973	2,09,95,652
Total B	1,49,36,973	2,09,95,652
Total A - B	<b>60,58,679</b>	<b>(19,07,078)</b>
<b>2.22 Employee Benefit Expenses</b>		
Salaries	1,91,91,397	2,10,16,922
Contribution to PF & ESI and other funds	8,23,737	8,71,279
Staff Welfare	10,77,615	10,01,915
	<b>2,10,92,749</b>	<b>2,28,90,116</b>
<b>2.23 Other expenses</b>		
Salary to whole time director (Refer Note 2.34)	42,00,000	38,50,000
Insurance Charges	4,86,779	3,58,075
Loss on exchange variation	8,59,823	2,05,345
Loss on sale of Motor cycle	15,407	10,220
Other Administrative Charges	12,22,264	14,46,801
Sitting Fees	4,70,000	4,40,000
Pooja Exp	3,76,776	3,32,979
Postage, Telephone charges	10,00,151	9,06,869
Printing & Stationery	1,95,931	2,88,200
Professional & Consultancy Charges	26,90,215	12,16,457
Auditor's fees (Refer Note 2.35)	5,00,000	5,00,000
Listing fees	3,76,127	2,17,952
Rent, Rates & Taxes	26,00,000	18,00,000
Repairs & Maintenance	18,14,124	18,92,102
Traveling & Conveyance	12,76,730	11,41,699
Vehicle Maintenance	1,55,800	3,37,855
Advertisement Expenses / Business Promotion	85,153	1,56,771
	<b>1,83,25,280</b>	<b>1,51,01,325</b>
<b>2.24 Finance Cost</b>		
Interest & Finance Charges	1,06,47,150	1,22,72,462
Bank Charges	2,93,466	5,58,315
	<b>1,09,40,616</b>	<b>1,28,30,777</b>

**2.25 Earnings per Equity Share:**

Sl. No	Particulars	2016-17 (Amt. in Rs)	2015-16 (Amt. in Rs)
1	Profit / (Loss) before Extraordinary items	80,90,961	90,01,962
2	Profit / (Loss) after Extraordinary items	80,90,961	90,01,962
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	0.15	0.17
5	Basic & Diluted E.P.S after extraordinary items	0.15	0.17

**2.26 Subsidiary Company in Singapore**

Company had incorporated a wholly owned subsidiary company – Radaan Media Ventures Pte Limited in Singapore to engage in media & entertainment activities. During the year, company had not entered into any business transaction. As on 31-03-2017, reimbursement due payable by subsidiary was Rs.13,12,443. Pursuant to provisions of section 129(3) of the Companies Act, a statement containing salient features of the financial statements of the subsidiary company as required in the prescribed Form AOC-1 is provided here below:

(a)	Name of the subsidiary	Radaan Media Ventures Pte Ltd.,	
(b)	Reporting Period	01-04-2016 to 31-03-2017	
(c)	Reporting currency and exchange rate as on the last date of the relevant financial year	Sing \$ / Rs.46.3062	
(d)	Percentage of shareholding	100 %	
		(in Sing \$)	(in Rs.)
(e)	Share Capital	20,000	9,26,124
(f)	Reserves & Surplus	(60,980)	(28,23,752)
(g)	Total Assets	1,000	46,306
(h)	Total Liabilities	41,980	19,43,934
(i)	Investments	-	-
(j)	Turnover	-	-
(k)	Profit before taxation	(3,200)	(1,52,315)
(l)	Provision for taxation	-	-
(m)	Profit after taxation	(3,200)	(1,52,315)
(n)	Proposed Dividend	-	-

**2.27 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 consists of 7,50,000 equity shares of Rs.10/- each and the same is shown at cost under the 'Non Current Investments'.

**2.28** The Company had entered into leasehold agreements with Mrs.R.Radikaa Sarathkumar, 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 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.42,00,000
  - (iii) Later than five years – NIL.
- 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** During the year, Company has entered into lease agreement for a period of 5 years with respect to the property situated at No:14, Jayammal Road, Teynampet, Chennai and has paid a security deposit of Rs.20 lacs. The operational activity has been shifted effective 1st April 2017.

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 operating leases for each of the following periods:
  - (i) Not later than one year – Rs.24,00,000
  - (ii) Later than one year and not later than five years – Rs.88,00,000
  - (iii) Later than five years – NIL.
- 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. 8,00,000/-
- 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 5 years.
  - (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.

**2.30** 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 31<sup>st</sup> March 2017 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	( Amt in Rs )
Present Value of obligations as at beginning of year	23,98,634
Interest Cost	1,91,891
Current Service Cost	3,78,616
Benefits Paid (Benefits that fell due in case of resignations, death & retirements) (Enter as a negative value)	(67,430)
Actuarial (Gain) / Loss - (Balancing item)	(2,97,763)
Present Value of the Defined Benefit Obligations at March 31, 2017	26,03,948

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

Fair value of plan assets at beginning of year	28,50,445
Expected Return on Plan Assets	2,25,558
Contributions	--
Benefits Paid	(67,430)
Actuarial gain / (loss) on plan assets	NIL
Fair Value of Plan Assets at the end of year	30,08,573

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

Fair value of plan assets at beginning of year	28,50,445
Actual return on plan assets	2,25,558
Contributions	--
Benefits Paid	(67,430)
Fair Value of plan assets at the end of year	30,08,573
Fund status	4,04,625
Excess of actual over estimated return on plan assets	NIL

## 5. Actuarial Gain / Loss recognized

Actuarial (gain) / loss on obligations	(2,97,763)
Actuarial (gain) / loss for the year – plan assets	--
Actuarial (gain) / loss on obligations	(2,97,763)
Actuarial (gain) / loss recognized in the year	(2,97,763)

## 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	26,03,948
Fair value of plan assets as at end of the year	30,08,573
Funded status	4,04,625
Net asset / (liability) recognized in balance sheet	4,04,625

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

Current Service cost	3,78,616
Interest Cost	1,91,891
Expected return on plan assets	(2,25,558)
Net Actuarial (gain) / loss recognized in the year	(2,97,763)
Expenses recognized in statement of profit and loss	47,186

**2.31 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 31<sup>st</sup> March 2017 under AS 15 in respect of Group Leave Encashment of employees of the Company is given below:

## 1. Assumption:

Discount Rate	-	8%
Salary Escalation	-	5%

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

Particulars	( Amt in Rs )
Present Value of obligations as at beginning of year	8,02,960
Interest Cost	64,237
Current Service Cost	3,23,820
Benefits Paid (Benefits that fell due in case of resignations, death & retirements) (Enter as a negative value)	(25,182)
Actuarial (Gain) / Loss - (Balancing item)	(67,677)
Present Value of the Defined Benefit Obligations at March 31, 2017	10,98,158

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

Fair value of plan assets at beginning of year	12,03,096
Expected Return on Plan Assets	1,03,395
Contributions	60,133
Benefits Paid	(25,182)
Actuarial gain / (loss) on plan assets	NIL
Fair Value of Plan Assets at the end of year	13,41,443

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

Fair value of plan assets at beginning of year	12,03,096
Actual return on plan assets	1,03,395
Contributions	60,133
Benefits Paid	(25,182)
Fair Value of plan assets at the end of year	13,41,443
Fund status	2,43,285
Excess of actual over estimated return on plan assets	NIL

## 5. Actuarial (Gain) / Loss recognized

Actuarial (gain) / loss on obligations	(67,677)
Actuarial (gain) / loss for the year – plan assets	NIL
Total Actuarial (gain) / loss	(67,677)
Actuarial (gain) / loss recognized in the year	(67,677)

## 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	10,98,158
Fair value of plan assets as at end of the year	13,41,443
Funded status	2,43,285
Net asset / (liability) recognized in balance sheet	(2,43,285)

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

Current Service cost	3,23,820
Interest Cost	64,237
Expected return on plan assets	(1,03,395)
Net Actuarial (gain) / loss recognized in the year	(67,677)
Expenses recognized in statement of profit and loss	2,16,985

**2.32** 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.

**2.33 a.** As per accounting policy 1 d, 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 1 n, Company has written off a sum of Rs.26,60,400 for the F.Y.2016 – 17 (Previous Year 2015 – 16 – Rs.27,08,580).

**b.** As per accounting policy 1 m, Accounting for media receivables, the company has written off a sum of Rs.1,00,34,240/- for the financial year 2016-17 for which provision had already been made in earlier periods. This however, has not affected the financial results for the current year.

**2.34 Managerial Remuneration:**

Particulars of salary to Whole Time Directors:

Sl. No	Name	Designation	2016-17 (in Rs.)	2015-16 (in Rs.)
1	Mr.R.Sarathkumar	Director – Operation	42,00,000	38,50,000

The overall managerial remuneration is within maximum ceiling limit laid down pursuant to section 197 read with schedule V of the Companies Act, 2013.

**2.35 Auditor's Remuneration: (excluding Service Tax)**

Sl.No.	Particulars	31/03/2017 (in Rs.)	31/03/2016 (in Rs.)
1	Audit Fee	4,00,000	4,00,000
2	Tax Audit	1,00,000	1,00,000
3	Certification fees	50,000	20,000
4	Out of pocket expenses	14,090	8,650

**2.36 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:**

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

Sl.No.	Name of the Person	Nature of Relationship	Amt (in Rs.)	Particulars	O/s amount payable as at 31/03/2017 (Amt in Rs.)
1	Mrs.R.Radikaa Sarathkumar	Chairperson & Managing Director	1,21,50,000 72,00,000 18,00,000	Artist Payment Creative Head payment (Both in her professional capacity). Lease Rent	1,05,348

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

1	Mr.R.Sarathkumar	KMP - Director – Operation	42,00,000	Director's Remuneration	89,19,866
2	Ms.Rayane	Daughter of Mrs.Radikaa, Chairperson & Managing Director	9,00,000	Salary & other benefits	68,091
3	Ms.Nirosha	Sister of Mrs.Radikaa, Chairperson & Managing Director	13,66,681	Artist Remuneration	4,05,000
4	Mr.M.Kavirmani	KMP – CFO	18,48,000	Salary & other benefits	1,33,519
5	Mr.Kanhu Charan Sahu	KMP – Company Secretary	10,08,000	Salary & other benefits	77,986



## c. Transactions with Wholly owned subsidiary company – Radaan Media Ventures Pte Ltd, Singapore :

Particulars	Transaction during the 2016-17		Outstanding as at 31/03/2017	
	In Rupees	In Singapore Dollar	In Rupees	In Singapore Dollar
Investment in Share Capital	Nil	Nil	9,35,000	20,000
Interest Free Loan granted	Nil	Nil	Nil	Nil
Interest Free Reimbursable Expenses	48,554	1,000	13,12,443	27,391.35

**2.37 Segment Reporting**

The company operates in the area of producing content for tele-serials/films, digital content, 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.

**2.38** There are no dues to small and micro enterprises during the year ended March 2017 & March 2016.

**2.39 Contingent Liabilities:**

Sl. No.	Particulars	31/03/2017 (Amt. in Rs.)	31/03/2016 (Amt. in Rs.)
1.	Claims against the company not acknowledged as debts		
	<b>Service Tax</b>		
	- October 2004 to September 2007 (inclusive of penalty of Rs.10 crore)	19,30,27,340	19,30,27,340
	- October 2007 to September 2010 (excluding penalty)	4,68,55,299	4,68,55,299
	- October 2010 to September 2012 (including of penalty of Rs.10 lacs)	3,60,84,169	3,60,84,169
	- 2007 – 2008 (excluding penalty)	3,09,000	-
	<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
	<b>Income Tax</b>		
	A.Y.2009-10 (F.Y.2008-09)	5,89,640	5,89,640

**A. 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 2010. In respect of service tax demand of similar nature for the period October 2010 to September 2012 and for all the above issues, appeal has been filed before CESTAT.

**B. 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.

Hon'ble High Court of Madras has made interim stay granted earlier as absolute stay; vide order dated 19-11-2014.

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. The Appellate Depute Commissioner (CT) III, has remanded the disputed demand to Asst.Commissioner of Sales Tax. The hearing was completed and order is awaited from Asst. Commissioner of Sales Tax.

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

**C. Income Tax:**

The claim of depreciation on Non-compete Rights of Rs.75 lacs and Brand equity of Rs.75 lacs had been successfully upheld by Honorable ITAT in the asst.years 2001-02, 2004-05, 2005-06, 2006-07, 2008-09. The claim of depreciation was allowed for the A.Y.2002-03 and 2003-04 by CIT, Appeals – VI. The appeal is pending before CIT, Appeals 14 for the 2009-10, 2010-11 and 2011-12. With respect to A.Y.2002-03 and 2003-04, department had not appealed against the decision of CIT, Appeals. Department has appealed against Honorable ITAT order for the A.Y.2001-02, 2005-06 and the matter is pending before the Hon'ble High Court of Madras. In this connection, there are no tax demands at present.

A.Y.2004-05 & A.Y.2008-09: Hon'ble ITAT has upheld the CIT, Appeals order allowing bad debts claim of Rs.48.77 lacs for the A.Y.2004-05 and also upheld the CIT, Appeals order disallowing notional interest addition of Rs.24 lacs and allowing depreciation claim on Non-compete Rights and Brand equity for the A.Y.2008-09.

A.Y.2009-10: Dis-allowance of tele-serial production expenses of Rs.2,33,58,021 is pending before CIT, Appeals – 14. The disputed tax demand is Rs.5,89,640/-

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

**2.40** Licensed and Installed capacity - Not Applicable

**2.41** Disclosure on specified bank notes:

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes ('SBN') held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on			
8 November 2016	2,05,500	1,35,494	3,40,994
(+) Permitted receipts	-	9,91,224	9,91,224
(-) Permitted payments	2,05,500	9,81,648	11,87,148
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on			
30 December 2016	-	1,45,070	1,45,070

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

**2.42 Tax Expense:**

- o No provision is required for Minimum Alternate Tax (MAT) on account of resultant Book Loss of the company.
- o No provision is required for income tax on account of resultant loss during the year apart from carried forward losses from the earlier years and hence not provided for.

		<u>31/03/2017</u>	<u>31/03/2016</u>
<b>2.43</b> Earnings in Foreign Currency	-	US \$ 4,56,195 Equivalent to Rs.3,01,53,098	US \$ 5,98,959 Equivalent to Rs.3,89,20,327
Expenditure in Foreign Currency	-	Australian \$ 9,500 Equivalent to Rs.4,99,615 Sing Dollar 1,000 Equivalent to Rs. 48,554	NIL
<b>2.44</b> Figures of Previous year have been re-grouped and re-classified, wherever necessary to conform to those of the current year.			
<b>2.45</b> Figures have been rounded off to the nearest rupee.			

On behalf of the Board of Directors

As per our report attached  
For M/s.CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.: 004915S LLP.No.:S200036

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

-sd-  
**A.Krishnamoorthy**  
Director

-sd-  
**C.N.Gangadaran**  
Partner  
Membership No.: 011205

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

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

Place : Chennai  
Date : 26th May 2017

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of RADAAN MEDIAWORKS INDIA LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of M/s RADAAN MEDIAWORKS INDIA LIMITED ("the Holding Company"), its subsidiaries and its associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31<sup>st</sup> March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

### Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their audit reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements of "Radaan Media Ventures Private Limited", subsidiary, whose financial statements reflect the group's share of total assets of Rs. 46,306/- as at 31<sup>st</sup> March, 2017, total revenue is Rs. NIL and net cash flows amounting to Rs.46,306/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure 1".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2.39 and 4.25 to the consolidated financial statements;
  - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.41.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/ S200036

-sd-

C N GANGADARAN  
Partner  
Memb.No.011205

Place: Chennai  
Date: 26<sup>th</sup> May, 2017

## Annexure 1 to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of **M/s RADAAN MEDIAWORKS INDIA LIMITED** ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, based on the test checks conducted by us, the Holding Company, its subsidiary companies, and its jointly controlled enterprise which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/ S200036

-sd-  
C N GANGADARAN  
Partner  
Memb.No.011205

Place: Chennai  
Date: 26<sup>th</sup> May, 2017

## CONSOLIDATED BALANCE SHEET

PARTICULARS	NOTE	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	4.01	10,83,23,080	10,83,23,080
(b) Reserves and Surplus	4.02	9,59,86,355	8,80,16,401
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowings	4.03	41,14,791	61,39,171
(b) Deferred Tax Liabilities	4.04	51,77,361	51,91,816
(c) Other Long term Liabilities	4.05	5,09,81,467	5,63,99,482
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	4.06	7,99,78,009	7,04,15,005
(b) Trade Payables	4.07	2,14,99,257	2,37,28,647
(c) Other Current Liabilities	4.08	88,64,339	81,38,967
<b>Total</b>		<b>37,49,24,659</b>	<b>36,63,52,569</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	4.09	2,04,83,598	2,63,03,141
(ii) Intangible Assets	4.09	-	-
(iii) Capital Work-in-progress	4.09	84,05,204	-
(b) Non-Current Investments	4.10	75,06,000	75,06,000
(c) Long-term Loans and Advances	4.11	9,33,33,939	8,53,16,851
(d) Other non-current Assets	4.12	9,39,45,384	9,57,48,244
<b>(2) Current Assets</b>			
(a) Inventories	4.13	1,49,36,973	2,09,95,652
(b) Trade Receivables	4.14	7,75,59,472	8,98,05,334
(c) Cash and Cash equivalents	4.15	11,81,928	12,10,177
(d) Short-term loans and advances	4.16	2,75,72,161	94,67,170
(e) Other Current Assets	4.17	3,00,00,000	3,00,00,000
<b>Total</b>		<b>37,49,24,659</b>	<b>36,63,52,569</b>

Significant accounting policies and notes on accounts 3 &amp; 4

On behalf of the Board of Directors

**As per our report attached**  
**For M/s.CNGSN & Associates LLP**  
**Chartered Accountants**  
 F.R.No.: 004915S LLP.No.:S200036

-sd-

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

-sd-

**A.Krishnamoorthy**  
Director

-sd-

**C.N.Gangadaran**  
Partner  
Membership No.: 011205

-sd-

**M.Kavirmani**  
Chief Financial Officer

-sd-

**Kanhu Charan Sahu**  
Company Secretary

Place : Chennai  
Date : 26th May 2017

**CONSOLIDATED PROFIT AND LOSS STATEMENT**

PARTICULARS	NOTE	YEAR ENDED 31/03/2017	YEAR ENDED 31/03/2016
<b>INCOME</b>			
Revenue from Teleserial / Films / Events & Shows / Digital Income	4.18	30,80,71,226	32,39,96,242
Other Income	4.19	2,93,075	13,32,349
<b>Total Income - A</b>		<b>30,83,64,301</b>	<b>32,53,28,591</b>
<b>EXPENDITURE</b>			
Expenses on Tele-serials, events etc.,	4.20	23,87,54,939	26,06,63,809
Changes in Inventories & Work-in-progress	4.21	60,58,679	(19,07,078)
Employee Benefit Expenses	4.22	2,10,92,749	2,28,90,116
Other expenses	4.23	1,84,77,595	1,52,94,627
Finance Cost	4.24	1,09,40,616	1,28,46,995
Depreciation and amortization Expenses	4.09	51,15,532	62,56,077
<b>Total Expenditure - B</b>		<b>30,04,40,110</b>	<b>31,60,44,546</b>
Profit Before Exceptional Items & Tax (A - B)		79,24,191	92,84,045
Exceptional Items		-	-
Profit Before Tax		79,24,191	92,84,045
Tax Expenses : (1) Current Tax		-	-
(2) Deferred Tax		(14,455)	4,91,603
Profit After Tax		79,38,646	87,92,442
Extraordinary item (net of tax expense)		-	-
Net Profit / (Loss)		79,38,646	87,92,442
Earnings per Equity Share:	4.25		
(1) Basic		0.15	0.16
(2) Diluted		0.15	0.16
Significant accounting policies and notes on accounts 3 & 4			

On behalf of the Board of Directors

As per our report attached  
For M/s.CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.: 004915S LLP.No.:S200036

-sd-

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

-sd-

**A.Krishnamoorthy**  
Director

-sd-

**C.N.Gangadaran**  
Partner  
Membership No.: 011205

-sd-

**M.Kavirimani**  
Chief Financial Officer

-sd-

**Kanhu Charan Sahu**  
Company Secretary

Place : Chennai  
Date : 26th May 2017

**CONSOLIDATED CASH FLOW STATEMENT**

PARTICULARS	YEAR ENDED 31/03/2017 (Amt in Rs.)		YEAR ENDED 31/03/2016 (Amt in Rs.)	
	<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit before Tax		79,24,191		92,84,045
Add: Finance Charges	1,09,40,616		1,28,46,995	
Depreciation	51,15,532		62,56,077	
Loss on sale of fixed assets	15,407		10,220	
Foreign Currency Translation Reserve	17,384	1,60,88,939	(74,111)	1,90,39,181
		2,40,13,130		2,83,23,226
Less : Dividend Received	300		1,200	
Capital reserve on investment in Subsidiary	(13,924)		(31,708)	
Goodwill on consolidation	-	(13,624)	(11,106)	(41,614)
Operating Profit before Working Capital Changes		2,40,26,754		2,83,64,840
(Increase) / Decrease in Inventories & Work In Progress	60,58,679		(19,07,078)	
(Increase) / Decrease in Trade Receivables	1,22,45,862		(66,58,112)	
(Increase) / Decrease in Value of FCTS/Teleserial rights and staff benefit plans	18,02,860		(2,45,645)	
Increase / (Decrease) in marketing advance & staff plan obligations in long term liabilities	(54,18,015)		49,21,169	
(Increase) / Decrease in Loans & Advances	(80,17,088)		(75,71,758)	
(Increase) / Decrease in Short term Loans & Advances	(1,81,04,992)		(54,48,231)	
(Increase) / Decrease in Other current assets	-		(3,00,00,000)	
Increase / (Decrease) in trade payables	(22,29,390)		1,06,81,021	
Increase / (Decrease) in Current Liabilities	5,23,796	(1,31,38,288)	6,85,075	(3,55,43,559)
<b>Cash Generated from Operating Activities (A)</b>		<b>1,08,88,466</b>		<b>(71,78,719)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
<b>Cash Outflow</b>				
Purchase of Fixed Assets	(77,27,099)		(13,98,224)	
<b>Cash Inflow</b>				
Sales proceeds of Fixed Assets	10,500		13,000	
Dividend Received	300		1,200	
<b>Net Cash from Investing Activities (B)</b>		<b>(77,16,299)</b>		<b>(13,84,024)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase / (Decrease) in Bank Borrowings	(18,22,804)		(16,40,037)	
Increase / (Decrease) in Other Secured Loans	95,63,004		2,01,27,638	
Finance Charges	(1,09,40,616)		(1,28,46,995)	
<b>Net Cash from Financing Activities (C)</b>		<b>(32,00,415)</b>		<b>56,40,606</b>
Net Increase in Cash & Cash Equivalents (A+B+C)		<b>(28,249)</b>		<b>(29,22,137)</b>
Cash & Cash Equivalents at the beginning of the year		12,10,177		41,32,314
Cash & Cash Equivalents at the end of the year		11,81,928		12,10,177
Net Increase / (Decrease) in Cash & Cash equivalents		<b>(28,249)</b>		<b>(29,22,137)</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

As per our report attached  
For M/s.CNGSN & Associates LLP  
Chartered Accountants  
F.R.No.: 004915S LLP.No.:S200036

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

-sd-  
**A.Krishnamoorthy**  
Director

-sd-  
**C.N.Gangadaran**  
Partner  
Membership No.: 011205

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

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

Place : Chennai  
Date : 26th May 2017



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### I BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

##### A Basis of Preparation:

The Financial statements are prepared under historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and comply with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

##### B Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

#### II PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements have been prepared in compliance with Schedule III of section 129 of the Companies Act, 2013 and 'AS 21 – Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India applying principles and procedures on the following basis:

The financial statements of subsidiaries have been combined on a line by line basis by adding together the book values of like item of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The cost of investments by Parent / Holding Company in a subsidiary company is less than its share of the equity of the subsidiary company is recognized as 'Capital Reserve (on Consolidation)'. Likewise, any excess cost of investments by Parent / Holding Company in a subsidiary company over the Parent's / Holding's share of equity in the subsidiary company is recognized as "Goodwill" (on Consolidation). The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.

#### III TRANSLATION TO INDIAN RUPEES:

The functional currency of the Parent Company is Indian Rupee. The functional currency of the subsidiary is Singapore Dollar. Subsidiary accounts are converted from Singapore Dollar to Indian Rupees in the following manner: All income and expense items are translated at the average rate of exchange applicable for the year. All monetary and non-monetary assets and liabilities are translated at the closing rate as on Balance Sheet date. The equity share capital is stated at the exchange rate at the date of investment. The exchange difference arising out of the year end translation is debited or credited to Foreign Currency Translation Reserve Account and is being classified under Reserves and Surplus Account.

#### IV OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out in the note no. 1 under notes of the stand-alone financial statement of Radaan Mediaworks India Limited

#### V GENERAL INFORMATION

Radaan Media Ventures Pte Ltd ('subsidiary') has been incorporated as wholly owned subsidiary of Radaan Mediaworks India Limited (Parent / Holding Company) on 21-09-2012. During the year, subsidiary has not entered into any business transaction other than opening of bank account with Indian Overseas Bank in order to facilitate business operation in the F.Y.2017-18. However, the book of accounts of the subsidiary was consolidated for the year ended 31.03.2017.

**Notes on Consolidated financial statement**

PARTICULARS	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>4.01 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 holder of equity shares is entitled to one vote per share.		
- The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31,2016 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>4.02 Reserves &amp; Surplus</b>		
Securities Premium Reserve - on Equity Shares - A	7,53,65,634	7,53,65,634
Surplus		
Opening Balance	1,27,89,564	39,65,414
Add : Net profit after tax transferred from statement of Profit & Loss	79,38,646	87,92,442
Add : Capital reserve on account of investment in subsidiary	13,924	31,708
Closing Balance - B	2,07,42,134	1,27,89,564
Foreign Currency Translation Reserve		
Opening Balance	(1,38,797)	(64,686)
Add: Translation difference during the period	17,384	(74,111)
Closing Balance - C	(1,21,413)	(1,38,797)
Total ( A + B + C )	<b>9,59,86,355</b>	<b>8,80,16,401</b>
<b>4.03 Long Term Borrowings</b>		
Term Loans - Secured - From Banks		
- Vehicle	41,14,791	61,39,171
Secured by hypothecation of respective assets together with personal guarantee of Chairperson & Managing Director to be repaid over 60 equated monthly instalments.	<b>41,14,791</b>	<b>61,39,171</b>
<b>4.04 Deferred Tax Liability</b>		
The Net Deferred Tax Liability comprise of the following :		
Depreciation on Fixed Assets	49,51,222	51,39,046
Amortisation of Teleserial cost	2,26,138	52,769
Closing Deferred Tax Liability	<b>51,77,361</b>	<b>51,91,815</b>
Less: Opening Deferred Tax Liability	51,91,816	47,00,212
Net Deferred Tax Liability Reversed	(14,455)	4,91,603
The details of deferred tax liability reversal for the year are as follows:		
<u>Amortisation of Teleserial cost</u>		
A. As per Books of account	2,93,54,900	2,78,77,128
B. As per Income tax Act	2,99,15,965	2,99,16,006
Total ( B - A )	5,61,065	20,38,878
Deferred Tax Liability for the year Charged / (Reversed) - Total a	1,73,369	6,93,015
<u>Depreciation on Fixed Assets:</u>		
A. As per Books of account	51,15,532	62,56,077
B. As per Income tax Act	45,07,686	56,63,513
Total ( B - A )	(6,07,846)	(5,92,564)
Deferred Tax Liability for the year Charged / (Reversed) - Total b	(1,87,824)	(2,01,412)
Net Deferred Tax Liability Reversed	<b>(14,455)</b>	<b>4,91,603</b>
<b>4.05 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 2.30 & 2.31	37,02,106	32,01,594
The advances received from customers (1) for assignment of rights for sale of FCT's for various tele-serials and (2) other programs	2,54,54,721	3,13,73,248
	<b>5,09,81,467</b>	<b>5,63,99,482</b>

PARTICULARS	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>4.06 Short Term Borrowings</b>		
Secured		
Cash Credit from Bank	7,99,78,009	7,04,15,005
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>7,99,78,009</b>	<b>7,04,15,005</b>
<b>4.07 Trade Payables</b>		
Sundry creditors for expenses	2,14,99,257	2,37,28,647
	<b>2,14,99,257</b>	<b>2,37,28,647</b>
<b>4.08 Other Current Liabilities</b>		
Salaries & other employee's Benefits	14,55,889	15,63,199
Current Maturities of long-term debts		
From Banks		
- Vehicle	20,30,698	18,29,122
Provision for Expenses	21,13,314	13,18,153
Retention Money	50,000	50,000
Withholding & other taxes Payable	10,93,880	14,22,901
Advances received from distributors / suppliers	2,50,000	2,50,000
Telecast fee payable	18,70,558	17,05,592
	<b>88,64,339</b>	<b>81,38,967</b>
<b>4.10 Non Current Investments</b>		
Long Term Investment - at cost		
Trade - Unquoted		
Investments in equity instruments		
7,50,000 equity shares of Rs.10/- each in Celebrity Cricket League Private Limited (Refer Note 2.27)	75,00,000	75,00,000
Others - Quoted		
Investments in equity instruments		
600 equity shares of Rs.10/- each in Andhra Bank	6,000	6,000
Market value as on 31.03.2017 is 34,770/- (Previous Year Rs.31,350/-)		
	<b>75,06,000</b>	<b>75,06,000</b>
<b>4.11 Long Term Loans &amp; Advances</b>		
Unsecured, Considered Good		
Electricity & other Deposits	7,08,938	7,03,938
Rental Deposits	16,00,000	16,12,000
Telecast fee Security Deposit with Channel	54,19,680	58,99,680
Lease Advance (Refer Note 2.28 & 2.29)	2,20,00,000	2,00,00,000
Other Loans & Advances		
Prepaid taxes incl. tax credits (net of provisions)	5,85,94,920	5,20,90,832
Deposits with sales tax authorities	50,10,401	50,10,401
	<b>9,33,33,939</b>	<b>8,53,16,851</b>
<b>4.12 Other Non Current Assets</b>		
a) Value of unsold FCT's (Refer significant accounting policy 1 d)		
Opening Balance	2,47,28,192	2,74,36,772
Less: Written off during the year (Refer note 2.33 a)	26,60,400	27,08,580
Closing Balance	2,20,67,792	2,47,28,192
- Total a		
b) Tele-serial Rights		
Refer significant accounting policy 1 c 6		
Opening Balance	4,43,12,907	4,22,74,029
Add : 20% to be written off equally over next two years	2,99,15,965	2,99,16,006
Less : Proportionate amount to be written off relating to earlier years	(2,93,54,900)	(2,78,77,128)
Closing Balance	4,48,73,972	4,43,12,907
- Total b		
c) Gratuity & Leave encashment plan assets Refer Note 2.30 & 2.31	43,50,016	40,53,541
- Total c		
d) Film Line Production - Advances	2,17,36,362	2,17,36,362
- Total d		
e) other assets	58,45,052	58,45,052
Less : Provisions made	49,27,810	49,27,810
- Total e	9,17,242	9,17,242
(Total a+b+c+d+e)	<b>9,39,45,384</b>	<b>9,57,48,244</b>
<b>4.13 Inventories</b>		
(Refer significant accounting policy 1 d)		
Work in progress - teleserials	1,49,36,973	2,09,95,652
	<b>1,49,36,973</b>	<b>2,09,95,652</b>

4.09. FIXED ASSETS SCHEDULE UNDER THE COMPANIES ACT, 2013												(Amt in Rs.)	
Sl. NO	Particulars	Useful Life in years	GROSS BLOCK			DEPRECIATION			NET BLOCK				
			As at 01/04/2016	Additions	** Deletions / Withdrawals	As at 31/03/2017	As at 01/04/2016	For the Period	Deletions / Withdrawals	As at 31/03/2017	As at 01/04/2016	As at 31/03/2017	
<b>I. Tangible Assets</b>													
1	Leasehold Rights & Improvements	-	1,49,80,180		7,41,000	1,42,39,180	1,16,83,264	6,95,311	1,23,78,573	32,96,916	18,60,607		
2	Camera Equipments	13	33,00,050			33,00,050	28,60,871	35,860	28,96,731	4,39,179	4,03,319		
3	Computer	3	72,95,724	-		72,95,724	57,87,590	5,46,400	63,33,990	15,08,134	9,61,734		
4	Software / Content Library	-	8,37,20,000			8,37,20,000	8,37,20,000	-	8,37,20,000	-	-		
5	Studio Bulbs	-	5,17,769			5,17,769	5,17,769	-	5,17,769	-	-		
6	Vehicles	8 & 10	1,69,78,055	62,895	45,420	1,69,95,530	50,35,797	20,17,628	70,33,912	1,19,42,258	99,61,618		
7	Studio Equipments	13	2,90,66,612	-		2,90,66,612	2,21,53,416	12,39,139	2,33,92,555	69,13,196	56,74,057		
8	Furniture & Fittings	10	35,98,864	-		35,98,864	24,73,677	1,66,179	26,39,856	11,25,186	9,59,007		
9	Office Equipments	5	21,44,236	-		21,44,236	16,73,639	3,01,480	19,75,119	4,70,597	1,69,117		
10	Airconditioner	5	7,75,291			7,75,291	6,52,137	53,718	7,05,855	1,23,154	69,436		
11	Generator	10	11,29,103	-		11,29,103	7,07,167	51,907	7,59,074	4,21,936	3,70,029		
12	Stabilizer & UPS	10	4,24,290			4,24,290	3,61,706	7,911	3,69,617	62,584	54,673		
	<b>Total I</b>	<b>Total I</b>	<b>16,39,30,174</b>	<b>62,895</b>	<b>7,86,420</b>	<b>16,32,06,649</b>	<b>13,76,27,033</b>	<b>51,15,532</b>	<b>14,27,23,050</b>	<b>2,63,03,140</b>	<b>2,04,83,598</b>		
<b>II. Intangible Assets</b>													
1	Brand Equity	-	75,00,000	-	-	75,00,000	75,00,000	-	75,00,000	-	-		
2	Goodwill	5	75,00,000	-	-	75,00,000	75,00,000	-	75,00,000	-	-		
3	IPR / Remake Rights	5	15,00,000	-	-	15,00,000	15,00,000	-	15,00,000	-	-		
	<b>Total II</b>	<b>Total II</b>	<b>1,65,00,000</b>	<b>-</b>	<b>-</b>	<b>1,65,00,000</b>	<b>1,65,00,000</b>	<b>-</b>	<b>1,65,00,000</b>	<b>-</b>	<b>-</b>		
<b>III. Capital W.I.P.</b>													
1.	Capital W.I.P.++			84,05,204		84,05,204	84,05,204	-	-	-	84,05,204		
	<b>Total III</b>			<b>84,05,204</b>		<b>84,05,204</b>	<b>84,05,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,05,204</b>		
	<b>GRAND TOTAL</b>		<b>18,04,30,174</b>	<b>84,68,099</b>	<b>7,86,420</b>	<b>18,81,11,853</b>	<b>15,41,27,033</b>	<b>51,15,532</b>	<b>15,92,23,050</b>	<b>2,63,03,140</b>	<b>2,88,88,802</b>		

++ \*\* The expenditure incurred for office interior and studio set up at the new premises including of utilisation of materials re-used from the existing leasehold property.

PARTICULARS	As At 31/03/2017 (Amt in Rs.)	As At 31/03/2016 (Amt in Rs.)
<b>4.14 Trade Receivables</b>		
Debts outstanding for a period exceeding six months		
Unsecured		
Considered Good	2,60,15,079	2,63,37,439
Considered Doubtful	1,41,07,975	2,41,42,215
	4,01,23,054	5,04,79,654
Less : Provision for Doubtful debts	40,73,735	1,41,07,975
Written off during the period (Refer Note 2.33 b)	1,00,34,240	1,00,34,240
- Total a	2,60,15,079	2,63,37,439
Other debts		
Unsecured Considered Good	5,15,44,393	6,34,67,894
Unsecured Considered Doubtful	-	-
- Total b	5,15,44,393	6,34,67,894
(Total a+b)	<b>7,75,59,472</b>	<b>8,98,05,334</b>
<b>4.15 Cash and Cash Equivalents</b>		
Cash on Hand	3,35,352	75,053
Balance with Banks in Current Accounts	8,46,576	11,35,124
	<b>11,81,928</b>	<b>12,10,177</b>
<b>4.16 Short - Term Loans and Advances</b>		
Unsecured, Considered Good		
Loans and advances to employees	4,84,047	5,53,875
Advances to Artists	17,30,268	-
Advances to Technicians	43,756	1,43,700
Advance Productions	1,40,92,454	76,77,648
Prepaid expenses	78,498	2,05,908
Advance - US Events	1,08,75,000	-
Advance - others	2,36,500	7,99,471
Other taxes credits	31,638	86,567
- Total a	2,75,72,161	94,67,169
Unsecured, Considered doubtful		
Loans and advances to Technician & employees	6,65,003	6,65,003
Less: Provision made	6,65,003	6,65,003
- Total b	-	-
(Total a+b)	<b>2,75,72,161</b>	<b>94,67,169</b>
<b>4.17 Other Current Assets</b>		
Line Production - Pictures	1,04,01,906	1,04,01,906
Advance for Film Acquisition rights	3,00,00,000	3,00,00,000
- Total a	4,04,01,906	4,04,01,906
- Total b	1,04,01,906	1,04,01,906
(Total a-b)	<b>3,00,00,000</b>	<b>3,00,00,000</b>
<b>PARTICULARS</b>	<b>YEAR ENDED 31/03/2017 (Amt in Rs.)</b>	<b>YEAR ENDED 31/03/2016 (Amt in Rs.)</b>
<b>4.18 Revenue from Teleserials / Films / Events &amp; Shows</b>		
Income from teleserials / Events & shows etc.,	28,07,62,628	30,02,22,627
Digital Income	2,73,08,598	2,15,23,615
Re run rights	-	22,50,000
	<b>30,80,71,226</b>	<b>32,39,96,242</b>
<b>4.19 Other Income</b>		
Gain on foreign currency reinstatement	52,730	1,13,611
Dividend income from Andhra Bank	300	1,200
Other misc. Income	2,40,045	12,17,538
	<b>2,93,075</b>	<b>13,32,349</b>

PARTICULARS	YEAR ENDED 31/03/2017 (Amt in Rs.)	YEAR ENDED 31/03/2016 (Amt in Rs.)
<b>4.20 Expenses on television shows etc.,</b>		
Payments to Artists	3,49,82,021	3,91,75,537
Dubbing Charges & Artists Expenses etc.,	20,63,800	18,22,526
Telecast Charges	12,69,36,525	12,98,23,950
Art & Set Properities Rent	12,66,101	23,05,154
Payments to Technicians	2,85,10,542	3,50,52,330
Other Production Expenses	36,01,398	43,17,695
Titling & Effect Charges	4,17,500	5,02,850
Batta Expenses	1,40,88,405	1,49,39,228
Costumes & Makeup	8,74,822	14,49,241
Lighting & Generator Hire Charges	21,51,836	27,03,597
Equipment Hire & Maintenance Charges	4,66,444	9,03,889
Travel, Stay & other expenses - Production	40,49,377	54,20,351
Vehicles Maintenance & Hire Charges	37,39,713	45,32,058
Storage devices	19,450	6,725
Unsold FCT Written off (Refer Note 2.33a)	26,60,400	27,08,580
Production Expenses - Teleserials / Events	3,26,931	21,13,049
Location Rent	77,57,322	83,69,397
Catering Expenses	54,03,417	65,56,530
Amorisation of Tele Serial rights	2,93,54,900	2,78,77,128
	26,86,70,904	29,05,79,815
Less: Teleserial Expenses deferred	2,99,15,965	2,99,16,006
	<b>23,87,54,939</b>	<b>26,06,63,809</b>
<b>4.21 Changes in Inventories &amp; Work-in-progress</b>		
Opening Balance:		
Work in progress - television shows	2,09,95,652	1,90,88,574
Total A	2,09,95,652	1,90,88,574
Closing Balance:		
Work in progress - television shows	1,49,36,973	2,09,95,652
Total B	1,49,36,973	2,09,95,652
Total A - B	<b>60,58,679</b>	<b>(19,07,078)</b>
<b>4.22 Employee Benefit Expenses</b>		
Salaries	1,91,91,397	2,10,16,922
Contribution to PF & ESI and other funds	8,23,737	8,71,279
Staff Welfare	10,77,615	10,01,915
	<b>2,10,92,749</b>	<b>2,28,90,116</b>
<b>4.23 Other expenses</b>		
Salary to whole time director (Refer Note 2.34)	42,00,000	38,50,000
Insurance Charges	4,86,779	3,58,075
Loss on exchange variation	8,59,823	2,05,345
Loss on sale of Motor cycle	15,407	10,220
Other Administrative Charges	12,22,264	14,46,801
Sitting Fees	4,70,000	4,40,000
Pooja Exp	3,76,776	3,32,979
Postage, Telephone charges	10,00,151	9,06,869
Printing & Stationery	1,95,931	2,88,200
Professional & Consultancy Charges	27,47,333	13,06,036
Auditor's fees (Refer Note 2.35)	5,95,197	6,03,723
Listing fees	3,76,127	2,17,952
Rent, Rates & Taxes	26,00,000	18,00,000
Repairs & Maintenance	18,14,124	18,92,102
Traveling & Conveyance	12,76,730	11,41,699
Vehicle Maintenance	1,55,800	3,37,855
Advertisement Expenses / Business Promotion	85,153	1,56,771
	<b>1,84,77,595</b>	<b>1,52,94,627</b>
<b>4.24 Finance Cost</b>		
Interest & Finance Charges	1,06,47,150	1,22,72,462
Bank Charges	2,93,466	5,74,533
	<b>1,09,40,616</b>	<b>1,28,46,995</b>

4.25 The note no.2.27 to 2.41 under notes on accounts of the stand-alone financial statement of Radaan Mediaworks India Limited is to be read along with consolidated financial statement.

**4.26 Earnings per Equity Share:**

Sl. No	Particulars	2016-17 (Amt in Rs)	2015-16 (Amt in Rs)
1	Profit / (Loss) before Extraordinary items	79,38,645	87,92,442
2	Profit / (Loss) after Extraordinary items	79,38,645	87,92,442
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	0.15	0.16
5	Basic & Diluted E.P.S after extraordinary items	0.15	0.16

**4.27 ADDITIONAL INFORMATION WITH REGARD TO SUBSIDIARY COMPANY:**

a. With reference to the general instructions for the preparation of Consolidated Financial Statement of Schedule III read with Section 129 of the Companies Act, 2013, the following information is disclosed as additional information.

Name of the Parent company	Radaan Mediaworks India Limited, India.			
Name of the Subsidiary company	Radaan Media Ventures Pte Limited, Singapore			
Subsidiary – Foreign	Net Assets i.e., total assets – total liabilities as at 31.03.2017		Share in Profit or Loss for the year ended 31.03.2017	
	As % of consolidated net assets	Amount (in Rs)	As % of consolidated net assets	Amount (in Rs)
1	2	3	4	5
Radaan Media Ventures Pte Ltd, Singapore.	100%	NIL	100%	(1,52,315)

b. Exchange Rate used (Rs. Per unit of Singapore Dollar):  
 For Balance sheet - 46.3062  
 For Profit & Loss - 47.5984

4.28 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-**  
**C.N.Gangadaran**  
 Partner  
 Membership No.: 011205

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

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

**As per our report attached  
 For M/s.CNGSN & Associates LLP  
 Chartered Accountants  
 F.R.No.: 004915S LLP.No.:S200036**

Place : Chennai  
 Date : 26th May 2017

NOTE



**RADAAN MEDIAWORKS INDIA LIMITED**

CIN : L92111TN1999PLC043163  
 Registered Office: No.14, Jayammal Road, Teynampet, Chennai - 600018  
 Tel: 91-44-2431 3001 | Fax: 91-44-2431 3008 | Email: info@radaan.tv | Website: www.radaan.tv

**FORM OF PROXY**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

**18th Annual General Meeting – 30<sup>th</sup> September 2017**

Name of the member(s)					
Registered Address					
Email ID					
Folio No / Client ID*		DP ID*		No of shares held	

*\*Applicable for investors holding shares in Electronic form.*

I/We, being a member / members of the above company hereby appoint:

Name					(signature of the Proxy)
Address					
Email ID					

*or failing him/her*

Name					(signature of the Proxy)
Address					
Email ID					

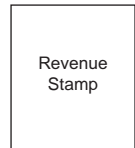
*or failing him/her*

Name					(signature of the Proxy)
Address					
Email ID					

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on 30<sup>th</sup> September 2017 at 11.00 am, at Madras Race Club, Guindy Lodge, Guindy, Chennai - 600032 and at any adjournment thereof in respect of such resolutions as are indicated below;

Resolution No.	Resolution	Vote (optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of audited financial statements of the company on standalone and consolidated basis for the financial year ended 31 <sup>st</sup> March 2017, including the balance sheet, statement of profit and loss and the reports of the auditors and directors thereon			
2	Appointment of a director in place of Mr.Ramanathan Sarathkumar (DIN: 00238601) who retires by rotation and being eligible, offers himself for reappointment			
3	Appointment of auditors			

Signed this ..... day of ..... 2017.



**Signature (s) of Member(s)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

**Notes:**

1. *The Proxy to be effective should be deposited at the Registered office of the company not less than FORTYEIGHT HOURS before the commencement of the Meeting.*
2. *It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.*

**RADAAN MEDIAWORKS INDIA LIMITED**

CIN : L92111TN1999PLC043163

Registered Office: No.14, Jayammal Road, Teynampet, Chennai - 600018

Tel: 91-44-2431 3001 | Fax: 91-44-2431 3008 | Email: info@radaan.tv | Website: www.radaan.tv

**ATTENDANCE SLIP**

18th Annual General Meeting – 30th September 2017

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. \* ..... Clientid\* .....

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

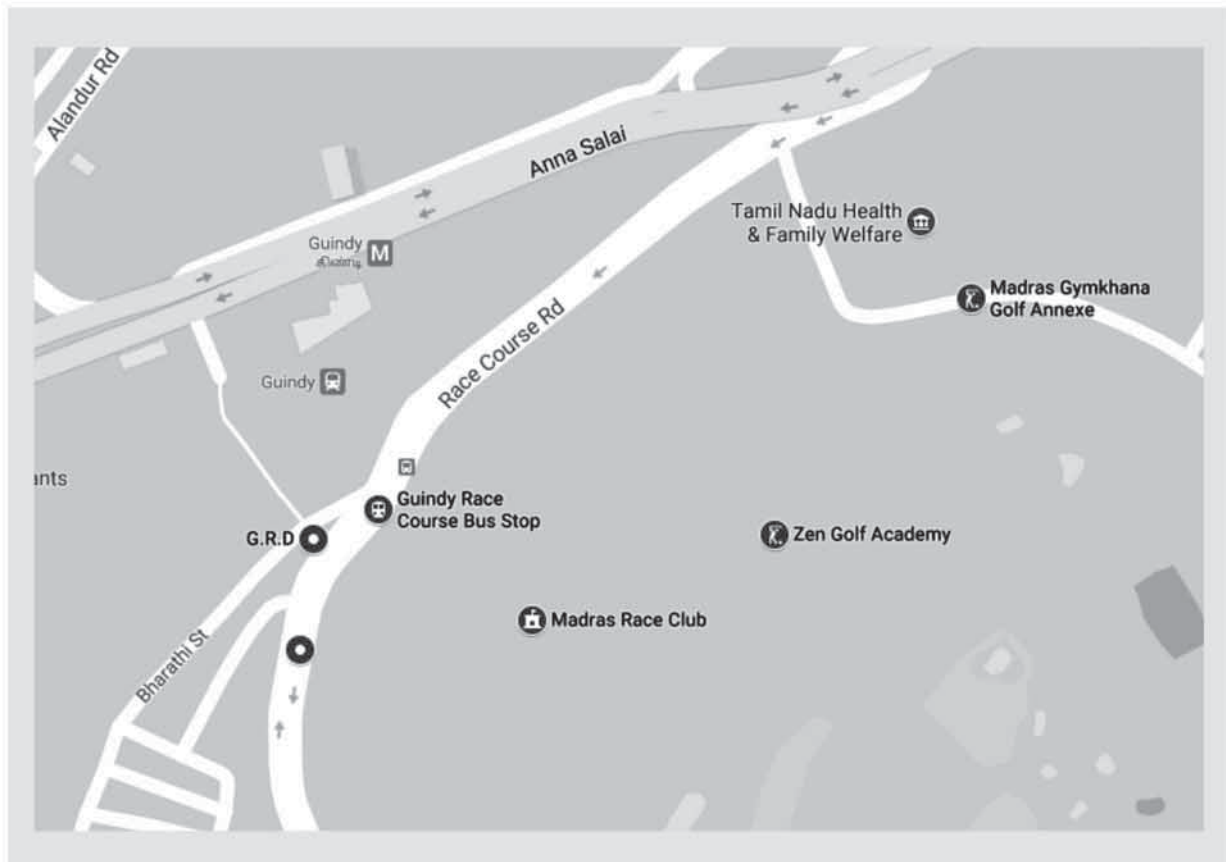
I/we hereby register my/our presence at the Eighteenth Annual General Meeting of the Company held on Saturday, the 30th September 2017 at 11.00 AM at the Madras Race Club, Guindy Lodge, Chennai 600 032.

-----  
Signature of Member/Proxy

\* Applicable for members holding shares in electronic form.

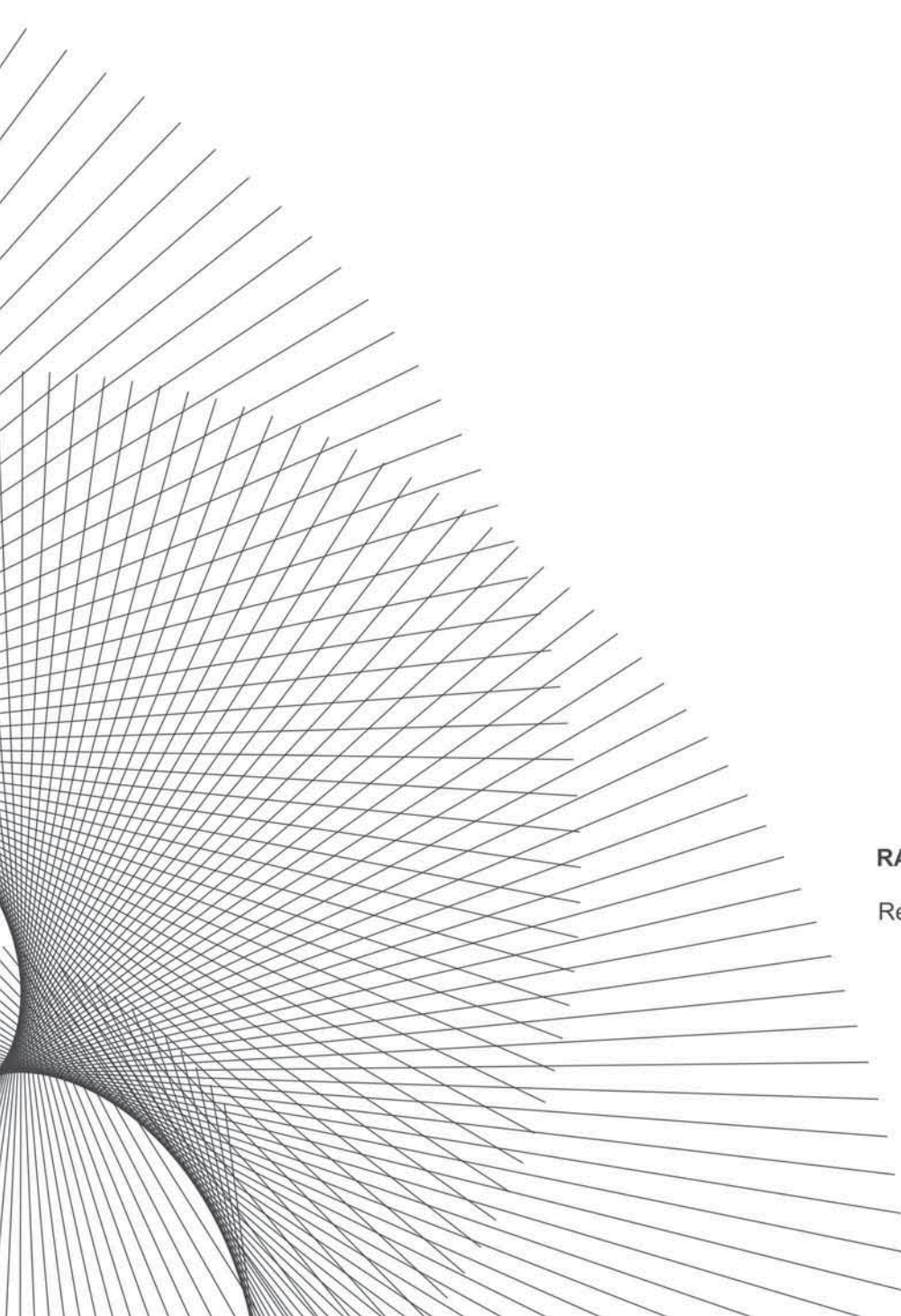
\*\* Applicable for members holding shares in physical form.

**ROUTE MAP**



# 18<sup>TH</sup> ANNUAL REPORT 2016-2017

REGISTERED BOOK -POST



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