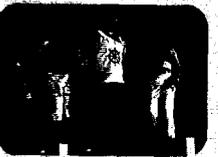


gradiente

13th ANNUAL REPORT
2004-2005



gradiente infotainment limited

● ADVERTISING

● MOVIES

● AD FILMS

● TELEVISION

● EVENTS

BOARD OF DIRECTORS

Vimal Raj Mathur
Chairman & Managing Director

Sunitee Raj
Director

Sudheep Raj
Director

T. Venkateshwa Rao
Director

Shabbir Ali Baquri
Director

AUDITORS

U. Srinivasa Murthy
Hyderabad

BANKERS

State Bank of India
Andhra Bank

REGISTRARS

2nd Floor, Rahav Ratna Towers,
Chirag Ali Lane,
Abids,
Hyderabad - 500 001.

REGISTERED OFFICE & STUDIO

3rd Floor, Krishna Plaza
Khairatabad
Hyderabad - 500 004

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NOTICE TO MEMBERS

Notice is hereby given that the Thirteenth Annual General Meeting of Gradiente Infotainment Limited will be held on Friday the 30th September, 2005 at 11:30 A.M. at 3rd Floor, Krishna Plaza, Khairtabad, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss account for the financial year ended 31st March, 2005 and the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. Shabbir Ali Baquri who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt. Sunitee Raj who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint M/S Kamandoor & Co, Chartered Accountants, Hyderabad to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and in that connection to pass the following resolution as an Ordinary Resolution :

" RESOLVED THAT as per the provisions of Section 224 and all other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company, M/s.Kamandoor & Co. Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company for audit of Accounts for the year ended 31st March, 2005-06 at such remuneration as may be decided by the Board of Directors and who have given their certificate under Section 224 (B) of the Companies Act, 1956 about their eligibility to be so appointed in place of M/s U. Srinivasa Murthy., Chartered Accountant, Hyderabad who have expressed their inability to continue as Auditors of the Company ".

Dated : 28.08.2005
Place : Hyderabad

By order of the Board

VIMAL RAJ MATHUR
CHAIRMAN & MANAGING DIRECTOR

NOTES

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy, to be effective, should be deposited at the Registered office of the Company not less than 48 hours before the Meeting.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no 5 is attached hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2005 to 30th September, 2005 (both days inclusive)
4. All Correspondence and share transfer documents must be addressed to the Share Transfer Agents or to the Investors Relation Cell.
5. Members are requested to notify changes, if any, in their addresses to the Share Transfer Agents.

Explanatory Statement

(pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 3

M/s G.D Upadhaya, Chartered Accountants were appointed as Auditors of the Company in the last Annual General Meeting. However due to preoccupation they have expressed their inability to be able to undertake the Audits and therefore the resolution for this purpose was annulled and the then Auditors Mr. Sinivasa Murthy continued as Auditors of the Company and was able to conduct the Audit of Accounts for the year ended 31st March, 2005.

The Members of the Company have therefore proposed to appoint M/s Kamandoor & Co., Chartered Accountants, Hyderabad as Auditors for the year ended 31st March, 2006 . As per the provisions of Section 225 of the Companies Act, 1956 such appointment can be made by passing a Special resolution in General Meeting . Accordingly the resolution in Item No. 4 is placed before the members for approval.

The Board recommends for approval of the resolution in Item No.5.

None of the Directors of the Company are concerned or interested in the resolution.

Brief profile of Mrs. Sunitee Raj and Mr. Shabbir Ali Baquri

Mrs. Sunitee Raj is a postgraduate having good knowledge of public relation. Her experiences in this field will be of immense help to the company.

Mr. Shabbir Ali Baquri has been associated with us in 1999 and he acquired good knowledge in international business. He has particular penchant for the International business with 5 years experience in the field. With the company's plan to establish international office, his experience will be of immense value to the company.

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DIRECTORS' REPORT

To
The Members of Gradiente Infotainment Limited,
Hyderabad

Your Directors take pleasure in presenting the Thirteenth Report on the affairs of the Company for the financial year 2004-2005 together with the Audited Financial Statements and Report of the Auditors thereon.

BUSINESS PERFORMANCE:

Financial Results:

The overall performance of the Company for the financial year 2004-05 is summarized as under:

Particulars	2004-2005	2003-2004	(Rs. in Lakhs)
Sales (Net)	260.12	263.83	
Increase / (Decrease) in Stocks	234.68	18.86	
Other Income	0.54	0.66	
Total Revenue	284.13	283.36	
Operating, Employee & Administrative Expenses	257.21	256.90	
Profit / Loss before Financial Expenses & Depreciation	26.92	26.46	
Interest & Financial Expenses	12.70	6.47	
Depreciation	12.83		
Net Profit after Financial Expenses & Depreciation	1.39	9.68	

During the year under review, the Company has posted a turnover of Rs. 260.12 lakhs as against Rs. 263.83 lakhs in previous year and earned a net profit of Rs. 1.39 lakhs as against previous year of Rs. 9.68 lakhs out of Advertising activities. Due to inadequacy of profits, the Board has not recommended any dividend.

Future out look:

The line of business of the Company, as a part of Entertainment & Media industry, has looked very promising in last two years and Company has made efforts to garner more trade in the field. However, due to small size of operations and advent of all major brands in market at Hyderabad, there has not been significant improvement in business. The Company is now making efforts to make rapid strides in consolidating its position. The big dent in efforts are made by the small players in unorganized players who compete with the organized sector. The company is now working on new plans to organize event management business and some multistar shows to make the presence felt. With this, the Company expects to come in reasonable profits during the coming years.

DIRECTORS:

Shri Shabbir Ali Baquri and Shri. Sudip Raj retire by rotation and being eligible offer themselves for reappointed. Brief profiles of Directors are given elsewhere in the Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That the accounting standards to the extent applicable to the Company have been followed in the preparation of then annul accounts. There are no material departures there from.
- (ii) That the accounting policies selected by the Board for the purpose of preparation and presentation of the financial statements have been and are being applied consistently and reasonable and prudent judgments and estimates (wherever applicable) have been made for the said purpose, so as to give a true and fair view of the affairs of the Company as at the end of the financial year under review and of the profit/loss for the said year.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.

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(iv) That the annual Accounts have been prepared on a going concern basis.

AUDITORS:

M/s G.D Upadhyay & Co., Chartered Accountant, Hyderabad, the Auditor of the Company have resigned as Auditors and the Board of Directors have appointed Mr. U. Srinivasa Murthy, Chartered Accountant as Auditor and is eligible for reappointment. The Board recommends his reappointment.

The observations made by the Auditors in their report read with the Notes on Accounts are self explanatory and do not require any comments from Directors.

LISTING :

The shares of your Company are listed on Kolkata and Hyderabad Stock Exchanges. The shares stand suspended from trading. The Company has recently fulfilled all the requirements of the Stock Exchanges and the matter for trading of shares is likely to be taken up shortly.

EMPLOYEES:

There are no employees whose particulars are to be disclosed pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

FIXED DEPOSITS:

During the year under review, the company has not accepted any deposits under Section 58A of the Companies Act 1956 read with Companies (Acceptance of Deposits) rules, 1975.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGIC ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, forming part of the Directors Report for the year ended 31st March, 2005 is as follows:

1. Conservation of Energy : The company's operations require low energy consumption. Adequate measures are taken to conserve energy whenever possible. The details required are attached herewith.

2. Technology Absorption:

a. Research & Development

There is no specific Research and Development activity carried out by the Company during the year.

b. Technology Absorption

NIL

3. Foreign Exchange Earning and Outgo:

	Value (in Rs. Lacs)
Value of Imports (CIF basis)	Nil
Expenditure in Foreign currency	NIL
Earnings in Foreign Exchange	NIL

CORPORATE GOVERNANCE:

The company has implemented the Code for Corporate Governance as stipulated under Clause 49 of the Listing Agreement. A separate report on Corporate Governance is annexed to this report.

DEMATERIALIZATION OF SHARES:

Pending the lifting of suspension by the Stock Exchanges, the demat has not been allowed by the Depositories. The Company made applications to NSDL and CDSL for demat of shares but the Depositories returned the same. Company is again approaching the Depositories for admission of securities for demat.

ACKNOWLEDGMENTS:

The Board takes this opportunity to express its deep gratitude for the continued cooperation and support received from its Bankers, State and Central Governments, the customers, share holders, business associates and employees during the year under review.

Place : Hyderabad.

Date : 28.08.2005

For & on behalf of the Board of Directors

Sd/-

VIMAL RAJ MATHUR

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE 'A' TO DIRECTORS REPORT

Disclosure of particulars with respect to the Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo as required under Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988:

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I. Conservation of Energy :Energy conservation measures taken: Regular maintenance of machinery leads to improved operational efficiency and lower power consumption. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy : NIL

A. Impact of measures of (A) and (B) above for reduction of Energy consumption and consequent impact on the cost of production of goods : NIL

B. Total Energy consumption and Energy consumption per unit of production as per Form – A of the Annexure to the Rules in respect of the Industries specified in the Schedule thereto :

A. POWER AND FUEL CONSUMPTION:

1. Electricity:

a. Purchased	Rs. 66,860
b. Total Units(KWH)	
c. Rate per Unit	Rs. 4.70 per unit

2. Own Captive Generation (Diesel)

a. Total Amount	NIL
b. Consumed (liters)	NIL
c. Unit per litre	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION

1. Total Amount of Power & Fuel

2. G.I / M.S / S.S Wire (M.T)

3. Power & Fuel cost per M.T

II. TECHNOLOGY ABSORPTION : NIL

III. a) FOREIGN EXCHANGE EARNINGS : NIL

b) FOREIGN EXCHANGE OUTGO : NIL

Place : Hyderabad

for & on behalf of Board

Dated : 28.08.2005

Chairman & Managing Director

Annexure- B to Report of the Directors

Management Discussion & Analysis

Industry structure and developments

The Indian industry has been on the rise for last year with impressive growth with opening up of Indian market for global companies. India is witnessing spurt in ad spend of companies to reach out to larger markets. Also, India enjoys a relatively favorable position in the world market as it offers a wide range of entertainment.

Opportunities and Threats

The Company is one of the first entertainment and media company to have entered the organized sector. The movie under production could not be released and continues to haunt the financial position. Company is now coming out of these shackles with larger focus on advertising.

Advertising industry has now become more organized and with opening up of economy to global markets, there have opened new vistas of opportunities for the far reaching advertisement media with printed and tele media. However competition is rising and Company proposes to take on with farther reach in Indian markets all across the country.

Outlook

The slowdown in previous years brought lower adspends from Corporate India resulting in fall in Company's business. Now due to revival, the media coverage are slated to increase which will result in good business for the Company. The Company also proposes to enter show business with Promotional programma in India and abroad.

Risks and Concerns

Your company is taking measures for creating new clientele and venture into production of TV serials. The unorganized sector continues to be the major threat to the company due to undercutting in prices. The new line of activity of Stage shows will surely bring

increased revenues.. The marketing strategy has been changed and the Directors are personally involved in marketing activities to achieve better results.

Internal control systems and their adequacy

The internal control systems are aimed at promoting operational efficiencies. The Company is conducting internal audit at regular intervals to ensure that:

- a) Transactions are executed in accordance with the Company's policies and authorizations.
- b) Deployment of funds are in accordance with the Company's policies.

The internal audit is conducted as per the requirement of the Company and the report is submitted to the Audit committee and to the Management. It reviews the policies and procedures followed.

The Audit committee with three independent and non-executive directors meets regularly to investigate any matter relating to the internal control system and reviews the Internal Audit. The committee reviews the quarterly and half yearly financial before they are submitted to the Board of Directors.

Financial Condition

Share Capital

During the year under review Company has not allotted any shares.

Secured Loans

The Secured Cash Credit outstanding of Rs.87.93 lakhs as on 31st March 2005 from the Bank is for working capital requirements.

Fixed Assets

Fixed Assets (Net block) have depreciated from Rs. 186.55 lakhs to Rs. 170.05 during the financial year.

Current Assets

The Net current assets of the Company have decreased to Rs. 545.41 lakhs as on 31st March 2005 from Rs. 605.81 lakhs last year.

Human Resources

The Company strongly believes that a right workforce makes all the difference in catapulting an organization to the highest echelons of success and achievement. Our workforce, thus, is a blend of cohesive and effective knowledge workers. Working together with highly motivated work force, we intend to develop a good client base. Having acquired expertise in their niche areas, they are trained in-house, on a regular basis, on diverse emerging trends and products.

For and on behalf of the Board

VIMAL RAJ MATHUR
CHAIRMAN

Place : Hyderabad
Date : 28-08-2005

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REPORT ON CORPORATE GOVERNANCE

Board of Directors of your Company has adopted the compliance of good corporate governance and to keep the shareholders informed about the happenings in the Company. As per the recent amendments to Listing Agreement and directions of SEBI, Your Company has complied with Corporate Governance Code as per clause 49 of the Listing Agreement. The information required to be attached to the Directors report is as under:

BOARD OF DIRECTORS

Composition and Category of Directors as at 31st March, 2005

Name	Category	Designation	No. of Meetings attended since 01.04.2004	No. of member-ship on board of other Companies	No. of member ship on Committees
Mr. Vimal Raj Mathur	Promoter Director	Non -Executive Chairman	5	-	1
Mr. T. Venkateshwa Rao	Independent Non -executive Director	Director	5	1	3
Mr. Shabbir Ali Baquri	Independent and Non -Executive Director	Director	1	1	3
Mrs. Sunitee Raj	Promoter and Non-Executive Director	Director	5	-	-
Mr. Sudheep Raj	Independent and Non- Executive Director	Director	1	-	2

The following are dates on which the Board of Directors met during the financial year 2004-05:

S. No	Date of Board Meeting
1	30.04.2004.
2	15.07.2004
3	31.10.2004
4	30.01.2005
5	29.03.2005

AUDIT COMMITTEE

Terms of Reference

The Audit Committee constituted by the Company is responsible for looking into the internal controls, reporting process and financial policies of the Company. The Committee has complete access to financial data and other information related there to. The Committee recommends the appointment of Statutory Auditors of the Company and the remuneration payable to them.

Composition of Audit Committee as on 31.03.2005 is as under

Name of Director	Title	Status
Mr. T Venkateshwa Rao	Member/ Chairman	Independent and non-executive Directors
Mr. Shabbir Ail Baquri	Member	
Mr. Sudheep Raj	Member	

The Audit Committee met on 30.04.2004, 15.07.2004, 31.10.2004, 30.01.2005 and 29.03. 2005.

COMPENSATION COMMITTEE :

Company has constituted Compensation Committee with Shri Vimal Raj Mathur, Mr. T Venkateshwa Rao and Mr. Ali Adil Baquri as members. The Committee reviewed the remuneration being paid to Mr. Vimal Raj Mathur as Whole Time Director. The Company has a regular Appraisal Policy. Due to slowdown in business, the compensations have not witnessed significant changes.

Details of Remuneration paid to Directors :

Mr. Vimal Raj Mathur – Whole Time Director

Salary	: Rs. 25,000/- per month
House Rent Allowance	: Rs. 12,000/- per month
Telephone Allowance	: Rs. 2000/- per month
Car Allowance	: Rs. 1500/- per month
Books & Periodicals	: Rs. 1000/- per month
Medical Reimbursement	: Rs. 1250/- per month

INVESTORS' GRIEVANCE COMMITTEE

As a measure of good corporate governance and to focus on the shareholders' grievances and to redress the investor's complaints in minimum possible time the Board has constituted Investor Grievance Committee under the Chairmanship of Mr. T. Venkateshwa Rao. This subcommittee also focuses on strengthening investor relations.

Composition : Mr. T Venkateshwa Rao, Mr. Sudheep Raj and Mr. Shabbir Ali Baquri

Status of Complaints received

During the year Company has received 5 (Five) Complaints from the public / Stock Exchanges.

Processed to the satisfaction of shareholders: 5 (Five).

Pending complaints: For non- receipt of shares by NRI's since Reserve Bank of India has not granted its approval for dispatch of certificates.

1. Date, Venue and time for the last three Annual General Meetings

Date	Venue	Time
29. 09. 2002	3 rd Floor, Krishna Plaza, Khairtabad, Hyderabad	10:00 A.M.
28. 09. 2003	3 rd Floor, Krishna Plaza, Khairtabad, Hyderabad	11:30 A.M
27. 09. 2004	Surana Udyog Auditorium, FAPPCI, Red Hills, Hyderabad	1.00 AM

2. Disclosures

There are no materially significant related party transactions, i.e. transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may potentially conflict with the interest of the Company at large.

The Management Discussion and Analysis is provided elsewhere in this Annual Report.

3. General information to shareholders

- a) As indicated in the notice to our shareholders, the Annual General Meeting will be held on Friday the 30th September, 2005 at 11.00 A.M. at 3rd Floor, Krishna Plaza, Khairtabad, Abids, Hyderabad, Hyderabad - 500 004
- b) The financial year of the Company is from **1st April to 31st March**

Other dates of Financial Calendar

Un-audited Results for quarter ended on 30.06.2005	July 2005
Un-audited Results for quarter ended on 30.09.2005	October 2005
Un-audited Results for quarter ended on 31.12.2005	January 2006
Un-audited Results for quarter ended on 31.03.2006	April 2006

- c) Date of Book Closure: 25th September, 2005 to 30th September, 2005 (both days inclusive)

- d) The Shares of the Company are listed in
Hyderabad Stock Exchange
Stock Exchange Building, Somajiguda, Hyderabad – 500 082

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Kolkata Stock Exchange

7, Lyons Range., Kolkata – 700 001

The listing fees for the financial year 2004-2005 has been paid to the Hyderabad Stock Exchange while to other Exchanges is pending.

- e) Stock Code: HSE- V.R Mathur, / Kolkata- VRM Comm.
 f) Monthly high low stock quotations during the period April, 2004 to March, 2005 are NIL since the scrip has been suspended by all Stock Exchanges due to non compliance of Listing Agreement.

Note: There was no trading of Shares at any of the Stock Exchange.

- g) Shares received for physical transfers are generally registered within a period of 15 days from the date of receipt of the valid and duly filled-up transfer deeds.
 h) In respect of transfer of physical shares, shareholders are advised to contact our Share Registrar M/s CIL Securities, 2nd Floor, Raghav Ratna Towers, Chirag Ali Lane, Abids ,Hyderabad – 500 001.
 Phone : 040 - 23203155 FAX : 040-55661267
 i) As of March 31 2005 the distribution of our shareholding was as follows:

Category (in Rs.)		No. of share holders	%	Share (Amount in Rs.)	%
From	To				
Upto	5000	2286	95.69	19011000	28.87
5001	10000	48	2.01	4030000	6.12
10001	20000	24	1.00	3517000	5.34
20001	30000	10	0.42	2464000	3.74
30001	40000	3	0.13	1125000	1.71
40001	50000	3	0.13	1304000	1.98
50001	100000	7	0.29	5573000	8.46
100001	ABOVE	8	0.33	28818000	43.78
TOTAL		2389	100.0	65842000	100.00

- k) Dematerialization of shares: Till now. shares have not been dematerialized at NSDL / CDSL.
 l) As on the date of Directors' Report Company has no outstanding GDRs / ADRs or any other convertible instruments.
 m) Location of our Registered office and Address for Correspondence:

GRADIENTE INFOTAINMENT LIMITED

3rd Floor, Krishna Plaza, Khairtabad, Hyderabad- 500 082

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

The Members of Gradiente Infotainment Limited

We have examined the companies conditions of corporate governance by the company Gradiente infotainment Limited for the year ended in 31st March 2005 as stipulated in clause 49 of listing Agreement of the company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited examination of produces and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Company has complied with conditions of Corporate Governance as stipulated in the above mention Listing Agreements as stipulated in the above mention Listing Agreements.

We state that no investor grievances are pending for period exceeding for a period one month against company as per the records maintained by the Share Transfer Cum Investors Grievance Committee.

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

Place : Hyderabad

Date : 28.08.2005

Sd/-

U.SRINIVASA MURTHY
Chartered Accountant

AUDITORS REPORT

To the Members of Gradiente Infotainment Limited

1. We have audited the attached Balance Sheet of Gradiente Infotainment Limited as at 31st March 2005 the Profit and Loss account and also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

3. As required by the Companies (Auditors Report) Order, 203 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

i) We have obtained all the Information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books;

iii) The Balance sheet, Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

v) On the basis of written representatives received from the Directors, and taken on record by the Board of Directors we report that none of the Directors are disqualified as on 31st March 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give 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 31st March 2005.

(b) In the case of the Profit and Loss Account, 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.

Date : 28-08-2005

Place : Hyderabad

U.SRINIVASA MURTHY

Chartered Accountant

ANNEXURE TO THE AUDITORS REPORT

Re. : GRADIENTE INFOTAINMENT LIMITED

Referred to in Paragraph 3 of our report of even date s

- (i) (a) The Company has maintained proper showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets of the Company have been physically verified during the year by the management, which in our opinion, is reasonable, considering
(c) There is no disposal of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business :
(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register maintained u/s 301 of the Company.
(b) In our opinion, the rate of interest and other terms and conditions of loans given by the company, are not prima facie prejudicial to the interest of the Company.
(c) In respect of loans given by the Company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, wherever applicable.
(d) In respect of loans given by the Company there are no overdue amounts more than Rs. 1,00,000/-
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the publications, advertisement and print media.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangement, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been recorded in the register,
(b) In our opinion and according to the information and explanations given to us, each of these transactions have been made at prices which are reasonable having regard to the prevailing.
- (vi) (a) The Company has not accepted any deposits from the public, attracting the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- (vii) In our opinion, the Company has an Internal Audit Systems commensurate with the size and the nature of its business.
- (viii) In our opinion, the Company is not required to maintain the cost accounts and records prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Customs duty, Excise duty, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, there no undisputed amounts payable in respect of such statutory dues were in arrears as at 31st March, 2005 for a period more than six months from the date they became payable, except income tax of Rs. 3,47,168/-.
(b) According to the information & explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and cess which have been deposited on account of any dispute.

gradiente Infotainment Limited

- (x) There are no accumulated losses and the company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.
- (xii) The Company is not a chit fund or a advances on the basis of security by way of pledge of shares, debentures holders.
- (xii) The Company is not a chit fund or a nidh/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 is not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments. Therefore the provision of clause 4(xiv) of the companies (Auditors Report) order 2003 is not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- (xvi) The company has not taken any term loans.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any Debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud, on or by the company, has been noticed or reported during the course of our audit.

Date : 28-08-2005
Place : Hyderabad

U.SRINIVASA MURTHY
CHARTERED ACCOUNTANT

gradiente Infotainment Limited

BALANCE SHEET AS AT 31st MARCH, 2005

Particulars	Schedule Ref.	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
SOURCES OF FUNDS:			
SHARE HOLDERS FUNDS			
Share Capital	I	62,470,000	62,470,000
Reserves & Surplus	II	5,486,770	5,276,656
LOAN FUNDS			
Secured Loans	III	9,814,500	12,300,000
Total		77,640,874	80,046,656
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	IV	20,094,462	20,094,462
Less: Depreciation		8,419,288	7,137,004
Net Block		11,675,174	12,957,458
Add: Capital work in Progress		5,206,409	5,697,710
		16,881,583	18,655,168
CURRENT ASSETS LOANS & ADVANCES:			
Inventories	V	30,689,199	28,362,966
Loans & Advances		21,489,491	22,582,291
Sundry Debtors		9,171,954	11,604,266
Cash & Bank Balances		95,949	92,850
		61,446,593	62,642,373
Less: Current Liabilities & Provisions	VI	727,194	2,061,114
Net Current Assets:		60,719,399	60,581,259
Miscellaneous Expenditure (To the extent not written off)	VII	39,892	810,229
Total :		77,640,874	80,046,656
NOTES ON ACCOUNTS & Significant Accounting Policies	XIII		

As per our report of even date

for and on behalf of the Board of Directors

U.SRINIVASA MURTHY

CHARTERED ACCOUNTANTS

Place: Hyderabad

Date: 28.08.2005

VIMAL RAJ MATHUR

T.VENKATESHWA RAO

Chairman & Managing Director

Director

better communication

gradiente Infotainment Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2005

Particulars	Schedule	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
I. INCOME			
Sales	VIII	26,012,170	26,383,063
Increase/decrease in Work in Progress	IX	2,346,899	1,886,900
Other Income		54,264	66,250
Total		28,413,333	28,336,213
II. EXPENDITURE			
Operative Expenses	X	20,120,520	22,366,420
Interest		1,270,550	645,750
Payments & Benefits to Employees	XI	651,180	378,980
Admn. & Other expenses	XII	4,949,081	2,945,804
Depreciation	IV	1,282,284	1,031,677
Total		28,273,615	27,368,631
III. Profit for the year		139,718	967,582
Provision for Taxation		60,000	347,168
Profit after Taxation		79,718	620,414
Add: Balance brought forward		5,124,440	4,504,026
Profit carried to Balance Sheet		5,204,158	5,124,440
Notes on Accounts & Significant Accounting Policies			

As per our report of even date

for and on behalf of the Board of Directors

U.SRINIVASA MURTHY

CHARTERED ACCOUNTANT

Place: Hyderabad

Date: 28.08.2005

VIMAL RAJ MATHUR

T.VENKATESHWA RAO

Chairman & Managing Director

Director

better communication

gradiente Infotainment Limited

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - 1

SHARE CAPITAL

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
AUTHORISED :		
70,00,000 Equity Shares of Rs.10/- each (Previous year 70,00,000 Equity Shares)	<u>70,000,000</u>	<u>70,000,000</u>
ISSUED CAPITAL :		
66,58,600 Equity Shares of Rs.10/- each	<u>66,586,000</u>	<u>66,586,000</u>
SUBSCRIBED & PAID UP CAPITAL :		
65,84,200 Equity Shares of Rs.10/- each	65,842,000	65,842,000
Less: Allotment money in Arrears	<u>3,372,000</u>	<u>3,372,000</u>
	<u>62,470,000</u>	<u>62,470,000</u>

SCHEDULE - 2

RESERVES & SURPLUS

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Reserves		
General Reserve	152,216	152,216
Surplus		
Profit and Loss Account	<u>5,204,158</u>	<u>5,124,440</u>
	<u>5,356,374</u>	<u>5,276,656</u>

SCHEDULE - 3

SECURED LOANS

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Working Capital Loan		
Secured loans Against Hypothecation of stock	<u>9,814,500</u>	<u>12,300,000</u>
	<u>9,814,500</u>	<u>12,300,000</u>

SCHEDULE TO THE BALANCE SHEET

SCHEDULE 4

Fixed Assets / Depreciation statement as per Schedule VI to the Companies Act.

Sr No.	Description	GROSS BLOCK			DEPRECIATION					
		As at 01-04-2003	Addition during the year up to 30.09.2004	Deletions during the year After 30.09.2004	As at 31-03-2005	As at 31-03-2004	For the Year 2004-2005	Depreciation to date as on 31.03.05	WDV AS On 31.03.2005	WDV AS On 31.03.2004
1.	Vehicles	1,110,000	----	----	1,110,000	952,026	41,073	993,099	116,901	157,974
2.	Office Equipment	1,296,643	----	----	1,296,643	808,951	112,109	921,060	375,583	487,692
3.	Plant & Machinery	407,762	----	----	407,762	311,286	13,507	324,793	82,969	96,476
4.	Furniture & fixture	1,067,345	----	----	1,067,345	646,841	126,151	772,992	294,353	420,504
5.	Audio Visua Equipment	3,033,047	----	----	3,033,047	2,061,408	340,074	2,401,482	631,565	971,639
6.	Building	13,179,665	----	----	13,179,665	2,356,492	649,370	3,005,862	10,173,803	10,823,173
TOTAL		20,094,997	----	----	20,094,462	7,137,004	1,282,284	8,419,288	11,675,174	12,957,458
Previous year		16,012,997	4,081,465	----	20,094,462	6,105,327	1,031,677	7,137,004	12,957,458	9,907,679

gradiente Infotainment Limited

SCHEDULE - 5

CURRENT ASSETS, LOANS & ADVANCES

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
A. INVENTORIES (WORK-IN-PROGRESS)		
(a) Print Media	1,987,265	1,798,966
(b) Audio visual media (Films / TV Serial Production)	1,522,786	14,755,700
(c) Production	27,179,148	11,808,300
Total	30,689,199	28,362,966
B. LOANS AND ADVANCES (Unsecured, considered good, receivable in cash(or) in kind (or) for value to be received) Advances to Branches	412,500	533,750
Deposits Recoverable	1,129,800	1,129,800
Advances on other Accounts	19,947,191	20,918,741
Total	21,489,491	22,582,291
C. SUNDRY DEBTORS : (Unsecured considered good)		
Debts outstanding for a period exceeding six months	3,927,150	5,125,066
Other Debts	5,244,804	6,479,200
Total	9,171,954	11,604,266
D. CASH AND BANK BALANCES :		
Cash and Bank Balances	95,949	92,850
Total	95,949	92,850
TOTAL (A+B+C+D)	61,446,593	62,642,373

SCHEDULE - 6

CURRENT LIABILITIES

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
A. CURRENT LIABILITIES		
Creditors for goods and expenses	45,486	24,486
Interest accrued but not due	-----	1,291,500
Provisional for Tax	197,168	347,168
Listing Fee Payment	233,750	233,750
B. PROVISIONS		
Outstanding expenses	221,900	125,650
Other Provisions	28,890	38,560
Total	727,194	2,061,114

gradiente Infotainment Limited

SCHEDULE - 7

MISCELLANEOUS EXPENDITURE

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Opening Balance	810,229	1,580,566
Less: Written off during the year (Preliminary Expenses & Public Issue expenses)	<u>770,337</u>	<u>770,337</u>
Total	39,892	810,229

SCHEDULE - 8

SALES

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Sales	26,012,170	26,383,063
Total	<u>26,012,170</u>	<u>26,383,063</u>

SCHEDULE - 9

WORK IN PROGRESS

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Opening Balances	28,342,300	26,455,400
Closing Balances	<u>30,689,199</u>	<u>28,342,300</u>
Total - Increase / Decrease	2,346,899	1,886,900

SCHEDULE - 10

OPERATIVE EXPENSES

Particulars	As at 31.03.2005 Rs.	As at 31.03.2004 Rs.
Print Media Expenses	6,843,912	9,729,270
Production Materials	7,142,790	6,828,860
Audio-Visual Media Expenses	6,133,818	5,808,290
Total	<u>20,120,520</u>	<u>22,366,420</u>

gradiente Infotainment Limited

SCHEDULE - 11

PAYMENT & BENEFITS TO EMPLOYEES

Particulars	As on 31.03.2005 Rs.	As on 31.03.2004 Rs.
Salaries and Allowances	598,120	306,120
Staff Welfare Expenses	53,670	72,860
Total	651,180	378,980

SCHEDULE - 12

ADMINISTRATIVE OTHER EXPENSES. & OTHER EXPENSES

Particulars	As on 31.03.2005 Rs.	As on 31.03.2004 Rs.
Rent	-----	96,575
Printing & Stationery	75,253	50,230
Conveyance	284,621	248,746
Postage & Telephones	117,412	104,920
Books & Periodicals	16,520	11,380
Vehicles Maintenance	72,530	56,850
Business Promotion Expenses	238,625	207,840
Legal Expenses	80,880	70,800
Audit Fees	16,530	16,200
Directors Remuneration	513,000	573,000
Bank Charges	37,253	38,560
Electricity Charges	90,860	63,450
Rates & Taxes	7,650	6,950
Office Maintenance	74,580	62,580
Repairs & Maintenance	72,850	63,500
Preliminary Expenses written off	770,337	770,337
Membership & Subscription	5,630	3,300
Consultancy Charges	90,800	58,000
General Expenses	131,319	115,386
Listing Fee	233,750	254,750
Director Sitting Fee	8,870	6,250
ROC Expenses	13,670	9,700
Advertising	73,825	28,500
Share Transfer Expenses	14,800	28,000
Bad Debts Written Off	1,002,120	---
Discounts	845,396	---
Total	4,949,081	2,945,804

**SCHEDULE - 13
NOTES FORMING PART OF ACCOUNTS**

1. **Significant Accounting Policies:**
 - a. The Financial Accounts are prepared under the Historical Cost Convention method.
 - b. The Fixed Assets are accounted at cost. Cost of Assets comprises of purchase price, duties, levies, and any directly attributed cost for bringing the Asset cost to its Working condition for intended use.
 - c. **Depreciation :**
Depreciation on the assets is provided at the rate and in the manner prescribed under Schedule XIV to the Companies Act, 1956 on written down value basis.
 - d. **Inventories, etc.:**
Inventories and other stock are valued on the following basis:
Feature Films, Banners, Printing Leaflets, Campaign Development Arts and other stocks are valued at cost.
 - e. **Revenue recognitions:**
Income from advertisement and production charges are recognized as and when the services are rendered. Income from feature films is recognized on the basis of agreements entered with various distributors on minimum guarantee collection basis.
 - f. **Retirement Benefits:**
 - i) Leave encashed by the employee is accounted for in the year in which the payments are made. No provision is made in the accounts for leave to be encashed by the employee in view of the uncertainties in the use of the leave and its encashment by the employee. No provision has been made for gratuity, as per the representation of directors no employee is eligible for gratuity.
 - g. **Miscellaneous Benefits:**
Preliminary and Public Issue expenses are amortized over ten years.
2. **Provident Fund Account**
The company has not contributed any amount to the above account for the financial year under the Employee Provident Fund Scheme, 1952 as the number of employees working is not more than 10.
3. Share Capital includes Rs. 27,39,000/- being value of shares allotted to Non-Resident Indians subject to the approval of the Reserve Bank of India for despatch of share certificates.
4. Sundry Debtors and Loans and Advances shown under the head Current Assets are subject to confirmation.
5. **Whole Time Director Remuneration:**
Salary, Allowances, & Perquisites of Rs. 5,13,000/- during the year (Rs. 5,13,000/- in 2004-2005).
6. Interest on Secured Loans is made at an estimated rates in the absence of information.
7. Working Capital loan from Andhra Bank is secured against building and hypothecated against inventories and debtors.
8. Related party transactions

Sl. No	Key person	Relationship
1.	VRM	CMD
Sl. No	Transaction	Amount
1.	Director Remuneration	5.13

9. The Company do not significant timing differences cause quarterly it has not provided for deferred tax liability assets so far.
10. Previous Year's have been reclassified / regrouped whenever necessary.
11. Paise have been rounded off to the nearest rupee.
12. As per the information available with the Company, no amount is due to Small Scale Ancillary Industrial undertakings as at 31st March 2005.

for and on behalf of the Board of Directors

U.SRINIVASA MURTHY
CHARTERED ACCOUNTANT

CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 28-08-2005.

gradiente Infotainment Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2005

PARTICULARS	CURRENT YEAR		Previous Year	
	2005	2005	2004	2004
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATIONS :				
Net Profit As Per P & L A/C		79,718		620,414
Add : Adjustment For				
i) Depreciation	1,282,284		1,031,677	
ii) Miscellaneous Expenditure written off	770,337		770,337	
iii) Interest as per contra	<u>1,270,550</u>		<u>645,750</u>	
		<u>3,323,171</u>		<u>2,447,764</u>
Operation Profit before working capital changes		3,402,889		3,068,178
Adjustment for Working Capital				
i) Trade and other receivables	3,525,112		(1,556,141)	
ii) Inventories	(2,326,233)		3,037,356	
iii) Trade Payables and other liabilities	(1,333,920)	(135,041)		
Adjustment for interest		<u>(1,270,550)</u>	<u>(964,496)</u>	(516,719)
NET CASH FLOW FROM OPERATIONAL ACTIVITIES		1,997,298		159,601
B. CASH FLOW FROM INVESTING ACTIVITIES				
i) Additions to the fixed assets / WIP	(491,301)		4,081,465	
ii) Sale of Fixed Assets	-		-	
iii) Additions to Public Issue Expences	-		-	
iv) Investments			<u>61,080</u>	
CASH FROM INVESTING ACTIVITIES		491,301		4,142,545
C. CASH FLOW FROM FINANCING ACTIVITIES				
i) Repayment of Long Term Borrowings	(2,485,500.00)		3,506,819	
CASH FLOW FROM FINANCING ACTIVITIES		<u>(2,485,500.00)</u>		<u>3,506,819</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B-C)		<u>3,099</u>		<u>10,200,823</u>
Represented by				
i) Cash and Cash Equivalent as at 01-04-2004 (Opening Balance)	92,850.00			184,252
i) Cash and Cash Equivalent as at 01-04-2005 (Closing Balance)	<u>95,949.00</u>			<u>92,850</u>
Increase		<u>3,099</u>		<u>91,402</u>

gradiente Infotainment Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

i. Registration Details

Registration No.

1	4	3	1	7
---	---	---	---	---

 State Code

0	1
---	---

Balance sheet Date

3	1	0	3	0	5
---	---	---	---	---	---

ii. Capital Raised During the Year (Amount in Rs. Thousands.)

Public Issue	Rights issue	Bonus issue	Private Placement												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L													
N	I	L													
N	I	L													
N	I	L													

iii. Position of Mobilisation and Deployment of the Funds (Amount in Rs. Thousands.)

Total Liabilities	Total Assets										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>7</td><td>6</td><td>4</td><td>1</td></tr></table>	7	7	6	4	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>7</td><td>6</td><td>4</td><td>1</td></tr></table>	7	7	6	4	1
7	7	6	4	1							
7	7	6	4	1							

Sources of Funds

Paid up capital	Reserve and surplus	Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>2</td><td>4</td><td>7</td><td>0</td></tr></table>	6	2	4	7	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>5</td><td>3</td><td>5</td><td>6</td></tr></table>		5	3	5	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>9</td><td>8</td><td>1</td><td>4</td></tr></table>		9	8	1	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
6	2	4	7	0																	
	5	3	5	6																	
	9	8	1	4																	
N	I	L																			

Application of Funds

Net Fixed Assets Incl. Cap. W.I.P.	Net Current Assets	Misc. Expenditure	Accumulated Losses																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>6</td><td>8</td><td>8</td><td>2</td></tr></table>	1	6	8	8	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>0</td><td>7</td><td>1</td><td>9</td></tr></table>	6	0	7	1	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>4</td><td>0</td></tr></table>		4	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
1	6	8	8	2															
6	0	7	1	9															
	4	0																	
N	I	L																	

iv. Performance of the Company (Amount in Rs. Thousands.)

Turnover	Total Expenditure	Profit/(Loss) before tax	Profit/(Loss) after tax																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>6</td><td>0</td><td>1</td><td>2</td></tr></table>	2	6	0	1	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>5</td><td>8</td><td>7</td><td>2</td></tr></table>	2	5	8	7	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>4</td><td>0</td></tr></table>	1	4	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>8</td><td>0</td></tr></table>		8	0
2	6	0	1	2															
2	5	8	7	2															
1	4	0																	
	8	0																	

Earning Per Share in Rs.

	0	.	1	5
--	---	---	---	---

Dividend %

N	I	L
---	---	---

v. Generic Name of three Principles Products/Services of the Company

Services Description	P R I N T	M E D I A	
	A U D I O	V I S U A	L M E D I A
	O T H E R	M E D I A	

Services Code No. (ITC Code)

N	I	L
---	---	---

gradiente Infotainment Limited

gradiente Infotainment Limited
3rd Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004
13th ANNUAL GENERAL MEETING
PROXY FORM

I / We.....
of.....
in the district of.....
being a member(s) of the above named Company, hereby appoint.....
of..... in the district of..... or failing
him..... in the district of..... as my / our proxy to attend
and vote for me/us and on my/our behalf, at the **13th ANNUAL GENERAL MEETING** of the Company to be held on
Friday, 30th September, 2005 at 11.30 am. at 3rd Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004 and any
adjournment thereof.

Signed this _____ DPID _____

Date _____ CLIENT-ID _____ Folio No _____

Note : Proxy must reach the Company's Registered office not less than 48 Hours before the time fixed for the meeting.

gradiente Infotainment Limited
3rd Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004
ATTENDANCE SLIP

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

Joint Shareholder(s) may obtain additional attendance slips on request

Name & Address of the Shareholder(s) Folio No. _____

_____ DPID _____

_____ CLIENT-ID _____

I hereby record my presence at the **13th ANNUAL GENERAL MEETING** of the Company to be held on Friday, 30th September, 2005 at 11.30 am. at 3rd Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004

SIGNATURE OF THE SHAREHOLDER (S) OR PROXY

gradiente

gradiente infotainment limited

3rd Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004. A.P.
Ph.: 55468853, 55468857 Fax : (40) 55468853
E-mail : gradienteinfold@yahoo.co.in

Branches : Dubai . London