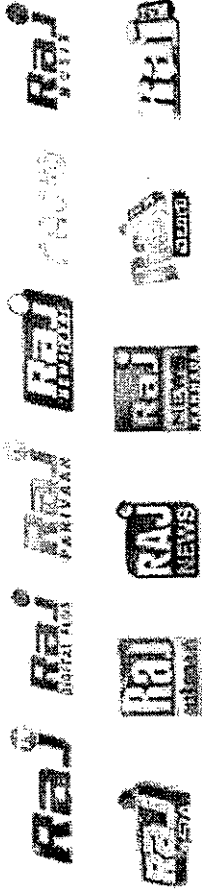


The People's Channel

16<sup>th</sup>  
ANNUAL REPORT  
2009 - 2010



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For RAJ TELEVISION NETWORK LIMITED

Company Secretary

For RAJ TELEVISION NETWORK LIMITED

Managing Director

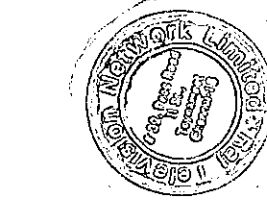


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**For RAJ TELEVISION NETWORK LIMITED**



Company Secretary

## CORPORATE DETAILS

### Board of Directors :

Mr. M. Raajhendrahan : Managing Director  
Mr. M. Rajratnam : Director-Content Acquisition  
Mr. M. Ravindran : Director- Operation  
Mr. M. Raghunathan : Director-Marketing  
Mr. D. R. Kaarthikeyan : Independent Director  
Dr. R. Rajagopalan : Independent Director  
Mr. A. Ajuna Pai : Independent Director  
Dr. Mohan Kameswaran : Independent Director

### Company Secretary & Compliance Officer

Mr. Manohar G.K : (CS)  
Mr. Joseph Cheryan : (Asst.CS)

### Audit Committee :

Mr. A. Ajuna Pai (Chairman)  
Dr. R. Rajagopalan  
Mr. M. Ravindran

### Remuneration Committee:

Dr. R. Rajagopalan (Chairman)  
Mr. A. Ajuna Pai  
Mr. D. R. Kaarthikeyan

### Shareholders & Investors Grievance Committee:

Mr. D. R. Kaarthikeyan (Chairman)  
Mr. M. Raajhendrahan,  
Mr. Ravindran

### Statutory Auditor:

M/s. Pratapkarani Paul & Co,  
Chartered Accountants,  
63, Kamraj Avenue, First Street,  
Adyar, Chennai-600 020

### Legal Advisor:

HSB Partners  
Advocates, 388 (Old No.194),  
Lloyd's Road, Chennai-600 086

### Registered Office:

Raj Television Network Limited  
32, Poes Road, Second Street,  
Teynampet, Chennai - 600 018  
Tel: +91- 44 -24334149 - 51  
Fax: +91- 44 - 24341260  
Email : rajtv@vsnl.com,  
Website: www.rajtvnet.in

### Regional Offices:

**Delhi Office:**  
1416, Ansal Towers,  
14th Floor, 38, Nehru Place,  
New Delhi -110 019

**Mumbai Office :**  
No.11, Hendre Castle Gokhle Road(n),  
Dadar(W),  
Mumbai - 400 028

**Bangalore Office:**  
S-block, # 808, Manipal Centre  
Dickenson Road,  
Bangalore - 560 001

**Hyderabad Office:**  
B-23, Road  
No.8, Film Nagar  
Jubilee Hills,  
Hyderabad - 500 033

### Registrar And Share Transfer Agent:

Cameo Corporate Services Limited  
Subramanian Building,  
No.1, Club House Road,  
Chennai - 600 002  
Phone No. 044-28460390-94,  
Fax No. 28460129  
Email: cameosys@cameoindia.com

### Bankers:

Canara Bank  
563/1, Anna Salai,  
Teynampet,  
Chennai-600 018

### State Bank Of India

Oversea Branch,  
86, Rajaji Salai,  
Chennai

### Indian Bank,

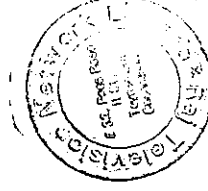
Thousand Lights Branch,  
Kammammal Building,  
611, Anna Salai,  
Thousand Lights,  
Chennai

**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**

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From the desk of the **MANAGING DIRECTOR**

*Chairman's Message . . . . .*

Dear Shareholders,

It's my pleasure to extend a Warm Greetings to you all!

I take the pleasant privilege of addressing you in our 16<sup>th</sup> annual report of Raj Television Network Ltd,

As you have witnessed, the year gone by, the entire global economy has been in the grip of severe recession of unprecedented dimensions, adversely affecting all spheres of economic activity. The global economy deteriorated sharply and has driven almost all major advanced economies in to recession. Advanced economies are expected to experience the sharpest collective decline in GDP for the times to come. The effect on GDP has deeply affected the spent on media during the year.

The market has also seen negative sentiment even though it's in the process of recovery. This has resulted in the corporate houses to rethink for their business outlook and rework for their strategy. The year 2009-10 was a testing time for the Media and television industry.

Your Company's revenue was affected grossly due to weak economic conditions. We are confident with our content lineup, neutral views on current affairs and brand loyalty will help us to position our channel better among the competition, preferred with viewers and advertisers.

Your Company is now concentrating on strengthening its content base, launching of additional regional channels, we are confident that this exercise will help us to garner additional viewership translating in to additional revenue. Your Company is also working on strategies in unlocking the value of hidden assets in your Company to achieve higher profitability and also offer value to stake holders.

I once again convey my gratitude to all of you and shall work towards making your company one of the largest and strongest media house in the world, in times to come.

Warm Regards

(Raajhendhran M.)

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**RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



## Raj Television Network Limited

Regd. Off: 32, Poes Road, Second Street,  
Teynampet, Chennai-600 018,  
Tel: 044-24334149/50

### NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on **Monday, September 20, 2010, at Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004, at 10.00 A.M.** to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri. R. Rajagopalan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. M. Ravindran, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. M. Raghunathan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration, if thought fit, by passing with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Pratakaran Paul & Co., Chartered Accountants, Chennai – 600 020, the retiring auditors be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors".

Regd. Office:  
32, Poes Road,  
IInd St, Teynampet,  
Chennai-600 018

28<sup>th</sup> July 2010

By Order of the Board of Directors  
Manohar GK  
Company Secretary

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**RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) may appoint a proxy to attend and vote on a poll on his behalf and proxy need not be a member of the Company. The proxy form appointing proxy to be valid must be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form is appended with the attendance slip.
2. Corporate members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
3. The register of Members and Share Transfer Books of the Company shall remain closed from 10<sup>th</sup> September 2010 to 16<sup>th</sup> September 2010 (both the days inclusive).
4. Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their Annual Report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Number and those who hold in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting. In case of joint holders, only Sole/First joint holder will be entitled to vote.
6. Members are hereby requested to send all correspondence concerning transfer, transmission, subdivision, consolidation of shares or any other share related matters and / or any change in the address to the Common Registrar and Share transfer Agent Viz; Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai-600002, Phone No.044-28460390-94, FaxNo.28460129, Email: cameosys@cameoindia.in.

**Regd. Office:**  
32, Poes Road,  
Ilnd St, Teynampet,  
Chennai-600 018

28<sup>th</sup> July 2010

**By Order of the Board of Directors**

Manohar GK  
Company Secretary

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**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



## Details of Directors Seeking Re-appointment at the 16<sup>th</sup> Annual General Meeting.

1. **Dr. R. Rajagopalan**

Dr. R. Rajagopalan, has bachelor's degree in Science and Master's degree in Business Administration and Law and also Doctorate degree to his credit. He has a long career graph as IPS Officer in different positions like Superintendent of Police, Director General of Police, Commissioner of police etc. Also he has served the Indian army in class-I officer cadre as LT./Capt. in corps of EME, Indian army. He has also performed 8 times Kailash and Mansarovar yatra as L.O... for MEA. He has been awarded with several medals like War Service Medal, President's Police Medal, and Indian Police Medal. He does not hold directorship in any other Public limited Company. He is the Chairman of Remuneration Committee and member of Audit Committee of the Company. He does not hold any share in the Company.

2. **Mr. M. Ravindran**

A graduate in Commerce from the University of Madurai, he oversaw the Raj Group's foray into the content development business, and his responsibilities included production and supply of content to the Doordarshan Metro Channel. He has built strong relationships with various players in the Tamil entertainment industry including leading directors, producers, technicians and artistes. He travels extensively around the globe and is extremely updated with the technical advancements in the entertainment field. At present he looks after the technical aspects of the Broadcasting business as well as the production of entertainment software besides the programming, news and other operational aspects of the Channel.

3. **M. Raghunathan**

He has been with Raj TV Network for two and a half decades and has extensive selling experience in the video cassette distribution business. He heads the marketing efforts of both the Channels of the Company and is also responsible for developing and maintaining relationships with corporate clients and leading advertisement agencies. He has been instrumental in sustaining the broadcasting business, and has contributed significantly towards the growth in advertisement revenues.

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**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



**DIRECTORS' REPORT**

Dear Members

Your Directors take pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

**Financial Results:**

The Financial Performance of your Company for the year ended March 31, 2010 is summarized below:

Particulars	For the year ended	
	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009
Total Income	4617.68	6225.66
Total Expenses	5854.54	5680.20
Operating Profit / (Loss) (EBIDTA)	(1236.86)	545.46
Profit / (Loss) after Depreciation and financial charge	(1621.57)	164.55
Prior Period Adjustment	2.12	1.11
Profit / (Loss) Before tax	(1623.69)	165.66
Provision for Taxation (net)	(46.12)	74.30
Profit / (Loss) after Tax	(1577.58)	91.36

**Operations Review:**

The Company achieved revenue of Rs. 4617.68 Lakhs as against Rs.6225.66 lakhs in the previous year. Net loss after tax stood at Rs. 1577.58 lakhs as compared to net profit after tax of Rs.91.36 Lakhs in the previous year. The performance of the Company is mainly affected due to decrease in subscription revenue and increasing overall expenses on account of expenditure of exceptional nature, amounting to Rs.2057.56 Lakhs.

**Dividend:**

In view of loss in the current year, the Board of Directors does not recommend any dividend for the year ended March 31, 2010.

**Share Capital:**

The Company has not issued any shares or any other security including ADR/GDR/FCCB/Warrants/Bonds during the year.

**Business Outlook:**

The main objective of the Company's business plan is to reach each and every household across the World. So, the Company is reaching out various multiple distribution platforms like, DTH, digital cable, IPTV, CAS, mobile TV etc to increase its overall reach which will result in adding more as subscription revenue. The Company's Channels are now available in all the major DTH platforms in India.

Being a prominent player in southern India, the Company has launched a 24 X 7 music Channel "RAJ MUSIX Malayalam" in Malayalam language in financial year 2009-10 to make its presence in Malayalam entertainment. The channel would be primarily regional with mixed flavor of Malayalam film music and classical or Malayalam pop music added by western style which will be of its first kind in Malayalam market. The Company has earlier launched "RAJ MUSIX" and "RAJ NEWS 24X7" in the year 2008. The Company is also in the line of launching few more channels.

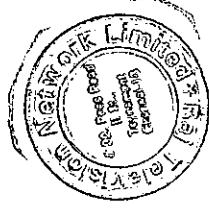
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**RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**





**Future Projects:**

The Company is continuously making efforts to entertain the viewers with good programs and quality contents. The Company always experiments on the viewer's demand and choice and designs its contents and programs in the viewer's perspective. The Company shall look forward to give better and quality entertainment to strengthen its brand and popularity in future. With so much competition from media industry, viewers are slowly getting used to "Appointment Viewing". As part of future projection and strategy, to capitalise on this changed viewership strategy, the Company will cater to the audience of all sectors in terms of content in future. This will give the Company a place in the minds of people leading to numbers in "TAM" ratings and increase fund flow from the operations.

**STATUTORY INFORMATION AND DISCLOSURES**

**Public Deposits:**

During the year, the Company has neither invited nor accepted any deposit from the public or its employees.

**Listing Agreement:**

The Company has complied with all the requirement of the listing agreement of BSE and NSE. The Company has also paid all the listing fees and there are no arrears till date.

**Corporate Governance:**

The Company has implemented all the stipulations prescribed under the Clause 49 of the Listing Agreement. A report on Corporate Governance together with Auditors' Certificate on compliance with the conditions of the said clause is provided as an annexure to this Report.

**Management's Discussion and Analysis Report:**

Management's Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India is presented in a separate Annexure to this report.

**Directors:**

In accordance with the Articles of Association of the Company, Shri. R.Rajagopalan, Shri. M.Ravindran and Shri M.Raghunathan, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Board recommends their reelection.

**Auditors:**

M/s Pratakar Paul & Co, Chartered Accountants, Chennai, Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and have confirmed that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

The Auditor's Report to the members does not contain any qualification or adverse remarks on the financial reporting and disclosure of the Company. The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

**Shareholding of Directors/Promoters and Promoter group:**

The Managing Director and other whole time Directors along with their spouse and dependent children constituting promoters and Promoter group hold more than two percent of the equity share of the Company in their individual capacity. Independent Directors do not hold any share in the Company.

**Pledging of the Shares by the Promoters:**

As required under SEBI (Substantial Acquisition and Take over) Regulation, 1997, the Promoters, promoter group and the Persons acting in concert representing Promoters and promoter Group have not pledged any shares during the financial year.

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**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



**Shares in Suspende Accounts:**

As required under Clause 5A of the Listing Agreement, 2 shareholders and 116 numbers of outstanding shares are lying in the suspense account at the beginning and end of the year. The Company has not been approached by any of these shareholders.

**Conservation of energy, Technology absorption, foreign exchange earnings and outgo:**

Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption is currently not applicable to the Company.

Particulars of foreign currency earnings and outgo during the year are given elsewhere in the Notes to the Accounts forming part of the Annual Accounts:

Particulars	Current Year	Previous Year (In Rupees)
Foreign Exchange Earning	2,10,62,700	1,43,61,654
Foreign Exchange Outgo	72,94,217	1,09,60,693

Disclosure of information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975:

During the year under review, following persons were drawing remuneration in excess of Rs. 24,00,000/- per annum, if employed through out the year or drawing remuneration in excess of Rs.2,00,000/- per month, if remunerated for the part of the year.

Name	Designation	Age	Qualification	Experience	Total Remuneration (in Rs.)	Previous Employer
Mr. M. Raajhenthiran	Chairman and Managing Director	60	Graduate	31 years	30.00lakhs	—
Mr. M. Rejathinam	Whole Time Director	55	Graduate	26 years	30.00lakhs	—
Mr. M. Ravindran	Whole Time Director	51	Graduate	21 years	30.00lakhs	—
Mr. M. Raghunathan	Whole Time Director	47	Graduate	18 years	30.00lakhs	—

**Acknowledgements:**

Your Directors take this opportunity to place on record their sincere appreciation to the Central and State Governments – mainly the Ministry of Information and Broadcasting and the Department of Telecommunication and other stakeholders including viewers, producers, vendors, financial institutions, bankers, service providers as well as other regulatory and governmental authorities. Your Directors also appreciate and place on record the devoted and efficient service rendered by the employees of the Company. It also thanks its investors for reposing faith on the Company.

On behalf of the Board of Directors  
Raajhenthiran M  
Chairman

Dated: 28<sup>th</sup> July 2010  
Regd. Office:  
32, Poes Road, IInd St,  
Teynampet, Chennai-600 018

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**Company Secretary**

## **Annexure 1: MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Industry Overview:**

The Media and Entertainment is one of the fastest growing sectors in India. The increasing rate of urbanisation, the penetration of television and radio industry in the rural areas with the help of the technology and the rising levels of incomes of the people in India has facilitated the growth rate of Media and Entertainment industry in India. The Indian economy is growing at a fast rate and the Media and Entertainment industry is expected to benefit significantly from it. The type of expansion being witnessed in digital media is expected to continue at an increased rate. Television, radio, CAS, and DTH have already made their presence felt. IPTV and mobile TV are still in the nascent stage and are yet to make a major mark on the broadcast arena. The broadcast segment is on a high growth path. New channels, new content, and new formats proliferate. In the last few years, a lot of development is happening in the broadcast segments. Major developments that are taking place are:

### **Regionalization:**

As the consumer market grows, the immediate impact is the growing number of regional TV channels, national players entering local markets, and regional players foraying into specialty genres in their states. Content Fragmentation and New Content: The market is changing from push to pull, the consumer demands what he/she wants. This results in fragmentation of content. This development is evident with the growth in the number of specialty and niche channels. Multiple Distribution Platforms: Broadcast technologies are changing fundamentally. The lowering of costs and multiple platforms like digital cable, DTH, IPTV, and mobile TV will keep fueling more and more broadcast TV channels and niche content.

### **Media and Entertainment**

The media and entertainment sector consists of the creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms. The media and entertainment industry is one of the fastest growing industries in the world. Ever evolving technologies, extensive use of media by corporate provide both opportunities and challenges to the media and entertainment industry.

### **Indian Entertainment Industry**

Post reforms the media and entertainment industry in India has made tremendous strides. The M&E industry can be further classified into film, television, advertising, print media and music.

### **Television**

The Television industry in India is witnessing a major change over with even several actors and actresses from the Bollywood industry making a career shift. Digital network like direct to home (DTH) have helped television reach millions of viewers across the country. Mobile TV where picture can be relayed to mobile phones is in the early stage of development and has got a tremendous future. The Television industry witnessed a surge in the number of channels; viewers had a wider range of channels to select from. Leading studio's from Hollywood like Turner and Warner Bros have shown keen interest in the Indian market. It is believed that more than 100 new channels across various segments would be launched in the next one year.

### **Music Industry**

The music industry again has witnessed a tremendous growth. The industry which used to be dominated by film songs until recently, has diversified into other segments ranging from Indian classical to Western music. There is a mature market available to the industry to cash in. Availability of quality audio cd's and digital music has enhanced the end users experience in listening to music. Unfortunately piracy is the bane for the music industry. To counter rampant piracy, the Indian Music Industry (IMI) has announced the starting of Music Mobile Exchange (MMX), a body that encourages legal music downloads. The IMI has enrolled the services of 142 music labels to further their cause. Some of the major brands like Saregama, Tips, Venus, Universal, Sony, EMI and Aditya music with a combined market share of over 70% business are part of the consortium.

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**RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**



**Journalism**

The conventional newspaper has made tremendous progress since its inception, but with the advent of internet, it is facing immense pressure from new media like Cyber Journalism. Journalism has to gear up to the new competition, if it has to continue to be relevant and read in today's context. Cyber Journalism itself is evolving and it cannot be taken as a continuation of the print media. In Cyber journalism the information can be conveyed in three different formats-text format, audio mode and video clip. It would still take some time for Cyber Journalism to mature and carve a niche for itself.

**Cyber Journalism is different from the print media in the following areas:**

News Cycle, Updating Frequency, Packaging, Knowledge Links, News Vehicles

**Advertising**

This field has evolved from being a traditional copy writing, brand building, media planning and client servicing to new dimensions like internet marketing, image management, media research, graphic design etc. It is a rapidly growing industry, which influences the consumer taste and preference.

**Public Relations**

Public Relation is extremely vital to create a positive image of a Company. Massive foreign investment, privatization and initial public offerings by Indian companies have resulted in a rapid growth for this sector. Before companies used to have public relations department internally, but in recent times with increasing demand for PR, companies specializing in PR have been established. Be it corporate or, media, IT, entertainment or media every business venture requires a PR organization to create awareness about them. Even celebrities from movie stars, to sports persons, to politicians, to party socialites have a PR firm representing them.

**Company Overview:**

Raj Television Network Limited (BSE:532826 and NSE: RAJTVEQ) is one of the largest Tamil television and broadcasting Company in southern region. The Company incorporated in 1994, broadcasts twelve channels presently in various southern languages. Raj TV, its flagship television channel launched in 1994 was the first general entertainment channel of the Company. Besides Raj TV, the Company promotes Raj digital plus, an exclusive movie channel, three Raj Musix, Music Channels, one in each southern regional languages and three 24X7 News Channel. The Company gets its revenue primarily from advertisement and subscription of channels. The Company has also rolled into movie production and distribution business

**Opportunities:**

The subscription revenue of the Company are expected to grow because of availability of various distribution platforms like cable, CAS, DTH, IPTV, VOD etc. Further, the increasing spends on advertisement by the industry houses will boost the further growth.

**Threats:**

There may be a fall in margin on account of non-payment of debts, business risk, other legal risks, slow down of general economic trends and other macro and micro economic factors.

**Outlook:**

As the Company's channels are now available in DTH, IPTV and other digital platforms besides cable distribution, the Company is hopeful of adding more subscription revenue. The Company is also expecting growth in advertisement revenue due to increase in advertisement spends by the business houses.

**Segment:**

The Company operates in two segments of business viz, "Broadcasting" and 'Movie Production and distribution'.

**CERTIFIED TRUE COPY****RAJ TELEVISION NETWORK LIMITED****Company Secretary**

**Company Financials:**

The total turnover of the Company for the Financial Year 2009-10 is Rs. 4617.68 lakhs. The Loss before tax (PBT) and the loss after tax (PAT) of the Company are Rs. 1623.69 lakhs and Rs.1577.58 lakhs respectively.

**Earnings Per Share (EPS):**

Due to the extraordinary write off of Bad-debts, the earning per share for the financial year 2009-10 is negative 12.16.

**Human Resource:**

The Company firmly believes that human resources is an important instrument to provide proper communication of the Company's growth story to its stake holders and plays vital role in the overall prospects of the Company. So the Company takes possible steps for the welfare of its manpower. The employee relationship is cordial throughout the year.

**Risk Analysis and Management:**

Like all business enterprise, the Company also operates in both risk and opportunity environment. Various risks which may affect the Company's performance and Company's preventive measures to avoid such risks are enumerated below:

**Operational Risk:**

The Company's operational performance may be affected because of increasing competition in the market and more and more new players entering this industry.

**Financial Risk:**

Cost of programming and content acquisition may affect its bottom line. The Company may from time to time launch new channels and may require more and more funds. The Company may need further funds for programming, contents for the new channels and movie production and distribution. So, the financial performance of the Company may slow down unless the Company becomes successful in its business strategies. Decrease in advertisement expenditure can impact the revenue of the Company.

**Strategic and other Risks:**

It is very much unpredictable to figure out the consumer's choice and taste. If the Company's strategy does not meet the consumer's expectation, then the Company's performance may be affected. Other risks like change in Government's policy, Exchange rate fluctuation, seasonal risks etc may affect the growth pattern of the Company. The Company continuously reviews the existing system of operation and upgrades any change in technology from time to time. It will help the Company to give good quality program for its viewers and maintain its subscription base inspite of competition.

**Internal Control:**

The Company has a defined management reporting system and periodic reviews of it business to ensure timely check and decision-making. The Management Information System (MIS) forms an integral part of the Company's control mechanism. Any material change in the business process is reported to the Board regularly.

**CAUTIONARY STATEMENT:**

Members are cautioned that this discussion contains forward looking statement that involve risk and uncertainties including but not limited to risk inherent in the Company's growth strategy, development plan, market position, expenditure and financial results etc. This statement is based on certain assumptions and expectation of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results and performance could thus differ materially from those projected in any such statement. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events.

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**RAJ TELEVISION NETWORK LIMITED**



Company Secretary

### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2009-10

(In accordance with clause 49 of the listing agreement with Indian Stock Exchanges)

Corporate Governance is about promoting corporate fairness, transparency and accountability. The corporate governance structure specifies the distribution of rights and responsibilities of the Board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs.

#### 1. COMPANY'S PHILOSOPHY:

The corporate governance of the Company is based on the principles of good corporate citizenship which includes transparency, accountability and commitment to the organization and stake holders. The Company always commits and obliges to values, ethical business conduct and making a distinction between personal & corporate funds in the management of a Company. The Company as ongoing concern basis takes continuous steps for corporate excellence and continuous value addition to its overall growth.

In this pursuit, Company's philosophy is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

#### 2. BOARD OF DIRECTORS:

##### Board Composition:

Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors to ensure independent functioning. The Board consists of eight Directors including Non- Executive Directors of eminent personalities with expertise in business, finance, taxation, legal and administration. Mr. M. Raajhendrahan, Managing Director is the Chairman of the Board who acts under guidance and supervision of the Board. The composition of the Board and their directorship in other Indian Public Companies as on March 31, 2010 are given below:

Name of the Director	Category	No. of Board Meetings held during the year		Attendance at the last AGM	No. of Director-ship held in other public Comp.	Number of Committee membership held in other Companies
		Held	Attended			
Mr. Raajhendrahan M.	MD	4	4	Yes	1	Nil
Mr. M. Rajratnam	WTD	4	4	Yes	1	Nil
Mr. M. Ravindran	WTD	4	4	Yes	1	Nil
Mr. M. Ragnunathan	WTD	4	4	No	1	Nil
Mr. D. R. Kaarthikeyan	NEID	4	3	Yes	6	Nil
Mr. A. Arjuna Pai	NEID	4	4	Yes	Nil	Nil
Dr. R. Rajagopalan	NEID	4	4	Yes	Nil	Nil
Dr. Mohan Kameswaran	NEID	4	2	No	Nil	Nil

MD- Managing Director, WTD- Whole Time Director, NEID- Non Executive and Independent Director.

##### BOARD PROCEDURE:

Board Meetings of the Company are duly called and held by giving proper notice. The Company Secretary in consultation with Chairman and other Directors drafts agenda of the Board meetings. All major agenda items along with comprehensive notes on each item in agenda are sent well in advance of the date of the Board meetings to enable the Board to take informed decision. Any Board member may in consultation with the Chairman bring up other additional matter for consideration by the Board. Heads of Departments of Finance and Strategic Planning are normally invited to the Board

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**For RAJ TELEVISION NETWORK LIMITED**

*[Signature]*

Company Secretary

meetings to provide necessary insights into the working of the Company and for discussing corporate strategies and other related matters. The Board also reviews the minutes of the Audit Committee and other committees. The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company in succeeding meeting. A certificate signed by the Managing Director and Whole Time Director is placed before the Board on compliance with the financial disclosure as provided under Clause 49 (V). During the financial year under review, Board met 04 (four) times on April 30, 2009, July 28, 2009, October 31, 2009 and January 30, 2010. The maximum gap between two Board Meetings was three months as prescribed under Listing Agreement.

### 3. AUDIT COMMITTEE:

The Board has set up a duly qualified and independent Audit Committee. Mr. A. Arjuna Pai, an Independent Director is the Chairman of the Committee. The Broad terms of reference including the composition, name, number of meetings held and attended during the year is as below:

Name of the Director	Status and Category	No. of Meetings	
		Held	Attended
Mr. A. Arjuna Pai	Chairman- Independent & Non Executive Director	4	4
Dr. R. Rajagopalan	Member- Independent & Non Executive Director	4	4
Mr. M. Ravindran	Member- Executive Director	4	4

The Committee meets periodically and reviews all Quarterly, half yearly and annual Audited and un-audited financial results, Annual Business plans, and various reports placed by the Management, Utilization of Issue proceeds and deviation if any, Review of Accounting Principles, Standard, practices and other disclosure followed by the Company while preparing the financial results, Advising on different issues including internal control, risk management and hedging against future risk, Discussing on different issues that could be of vital concern to the Company including reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's business and size of operations. The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. The role and the powers of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges and provisions of Section 292A of the Companies Act, 1956.

During the year, Audit Committee met for 4 times viz. April 30, 2009, July 28, 2009, October 31, 2009 and January 30, 2010. Statutory Auditors, Head of Finance of the Company attend the meeting as invitee of the Committee. The Company Secretary is the Secretary of the Audit Committee. The Chairman of the Audit Committee attended the AGM, to answer to the queries of the members of the Company.

### 4. REMUNERATION COMMITTEE:

The Remuneration Committee of the Company is formed of all Non-Executive Independent Directors and comprises of Dr. R. Rajagopalan, as Chairman, Mr. A. Arjuna Pai and Mr. D. R. Kaarthikeyan as member. The Company Secretary is the Secretary of the Committee. The terms of reference of the Remuneration Committee, inter alia, consist of reviewing the overall remuneration policy, employment agreements and other terms and conditions of Managing Director and Executive Directors. The remuneration of Executive Directors is decided by the Board of Directors on the recommendation of the Remuneration Committee within the overall ceiling approved by shareholders. During the year, the Committee met once on October 31, 2009. Statutory Auditor of the Company attended the meeting as invitee of the Committee. The Company Secretary is the Secretary of the Committee. Considering the economic slowdown and the remuneration of the managerial personnel was not revised during the year.

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**RAJ TELEVISION NETWORK LIMITED**



Company Secretary

The remuneration paid to the Managing Director and other Executive Directors during the year under review are as follows.

Name and Designation	Period	Salary and Perquisites (Amount in Rs.)
Mr. M. Rajhendhran, Managing Director	01-04-2009 to 31-03-2010	30,00,000/-
Mr. M. Rajaratnam, Director	01-04-2009 to 31-03-2010	30,00,000/-
Mr. M. Ravindran, Director	01-04-2009 to 31-03-2010	30,00,000/-
Mr. M. Reghunathan, Director	01-04-2009 to 31-03-2010	30,00,000/-

During the year under review, the Company has paid sitting fees of Rs. 10,000 per Director for attending Board meeting and Rs.5,000 per Director for attending Audit Committee and Remuneration Committee Meeting to Non-Executive Directors. Besides the sitting fees, the Company has no pecuniary/ material relationship or transaction with Non-Executive Directors.

#### 5. SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders and Investors Grievance Committee of the Board comprising of Mr. D. R. Kaarthikeyan, Non Executive Independent Director as Chairman, Mr. Rajhendhran M., Managing Director and Mr. M. Ravindran, Executive Director as Member. The Company Secretary is the Secretary of the Committee. The role of the Shareholders and Investor Grievance Committee is to ensure efficient transfer of shares and proper and timely attendance of investors' grievances. The Company Secretary is the Compliance Officer of the Company. During the year under review, Share Transfer and Investor Grievance Committee met once on October 31<sup>st</sup>, 2009. All committee members attended the meeting. The Company has appointed M/S Cameo Corporate Services Limited, Chennai, as Registrar and Share transfer Agent for the Company to take care of all share related issues.

During the year two rematerialisation request for total 26 shares has been received and physical certificate has been issued to the shareholders within fifteen days of receipt. During the year one complaint was received from the investor which were replied / resolved to the satisfaction of the investors. None of the complaints required the attention of the investors committee because of routine nature and it was resolved by the company officials / RTA. The Company has exclusively designated the following email id for the investor relations: redressal@rajtvet.in.

#### 6. ETHICS AND COMPLIANCE COMMITTEE

##### CODE OF CONDUCT:

The Company has laid down and adopted Code of Conduct for Members of the Board of Directors and Senior Management of the Company. The Code has been posted on Company's website. All the Directors and employees of the Company strictly adhere to the said code of conduct. A declaration signed by the Managing Director affirming compliance with the code of conduct is annexed herewith and forms part of this report.

##### PREVENTION OF INSIDER TRADING:

The Company has instituted a comprehensive code of Conduct for the prevention of insider trading for its Directors/ Designated employees/officers as laid down under SEBI (Insider trading) Regulations, 1992 on insider trading. All the Directors and Designated employees of the Company comply with such guidelines. The Company also maintains proper records with requisite particulars as per procedure and guidelines prescribed under the said regulation.

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**RAJ TELEVISION NETWORK LIMITED**

Company Secretary



**7. GENERAL BODY MEETING:**

i) The Company calls and holds the Annual general Meeting of the Shareholders after giving due notice to the members. The details of locations, date and time of last three Annual general Meetings are as follows: -

Financial Year	Location	Date	Time
2006-2007	Image Auditorium, M.R.C. Nagar, R.A. Puram, Chennai- 600 028	September 28, 2007	10.00 A.M.
2007-2008	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 29, 2008	10.00 A.M.
2008-2009	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 30, 2009	10.00 A.M.

ii) Whether any special resolution passed at previous 3 AGMs: **NO**

**8. DISCLOSURES:**

There were no materially significant related party transactions having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report. The Financial statements of the Company are prepared on accrual system of accountings in accordance with Generally Accepted Accounting Principles in India along with the Accounting Standards issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956 There has not been any instance of non-compliance by the Company and no penalties or strictures imposed by SEBI or Exchanges or any statutory authority on any matter relating to capital markets, during the last year. The Company also follows the guidelines laid in the Standards on Secretarial Practice of The Institute of Company Secretaries of India relating to meetings of Board and its Committees, General Meetings etc. as a regular practice. The Company has complied with all the mandatory requirements of clause 49 of the listing agreement and it has been submitted to Stock Exchanges on quarterly basis. The Company has not implemented formal Whistle Blower policy. However no personnel have been denied access to the Audit Committee of the Company.

**9. RISK MANAGEMENT:**

In compliance with the norms of the Clause 49 of the Listing Agreement, the Company continuously reviews all types of risks and takes possible steps to minimize the existing risk and check the future risk. The Company has also a regular review mechanism to curb out any anticipated risk.

**10. PROCEEDS FROM THE INITIAL PUBLIC OFFER:**

As proposed in the Prospectus offering shares to the public, the Company is utilizing the net issue proceeds and unutilized funds have been kept in fixed deposit. The Company is disclosing the details of utilization and reason for not utilizing the proportion amount of fund as per the offer document before the Audit Committee and Board for their information and review. As required under the listing agreement the Company informs the Stock Exchange on quarterly basis.

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**For RAJ TELEVISION NETWORK LIMITED**



Company Secretary

**11. MEANS OF COMMUNICATION:**

The Company regularly sends the Annual report to the shareholders in their residential address within time before Annual General Meeting of the Company. The Company also promptly intimates the financial results and outcome of the Board and Audit Committee immediately after the meeting for the information of the investors and shareholders. As required under the listing agreement the quarterly results of the Company are published in one English National Daily edition and one Tamil regional daily Newspaper. Moreover, all the important announcements and events including financial results are also up loaded regularly on the Company's website.

**12. GENERAL SHAREHOLDER INFORMATION**

1. Date, time and Venue of Annual general Meeting : 20th September 2010, 10.00AM,  
Bharatiya Vidya Bhavan, 18-22, East Mada Street,  
Mylapore, Chennai-600 004
2. Financial year : 2009-2010
3. Date of Book Closure : 10. 09. 2010 to 16. 09. 2010 (Both the day Inclusive)
4. Listing on Stock Exchanges : Equity Shares Bombay Stock Exchange Limited (BSE)  
National Stock Exchange of India Limited (NSE)
5. Stock Code : BSE— 532826, RAJTV  
NSE— RAJTVEQ
6. Depository Platform : National Securities Depository Ltd (NSDL)  
Central Depository Services (India) Ltd, CDSL
7. ISIN No. : INE952H01019
8. Registrar and Share Transfer Agent : CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No.1, Club House Road,  
Chennai-600 002,  
Phone: 044-28460390-94, Fax: 28460129  
Email: cameosys@cameoindia.com
9. Compliance Officer : Mr. Manohar GK, Company Secretary
10. Share Transfer System : The Company has appointed M/S Cameo Corporate Services Limited as Common Registrar and Share Transfer Agent (RTA) for both physical and dematerialized shares. All requests received by the Company/ RTA for dematerialization, rematerialization, transfer, transmission, subdivision, consolidation of shares or any other related matters are disposed off expeditiously within time.

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Company Secretary

11. Share Holding Pattern: Distribution of Share holding as on 31<sup>st</sup> March 2010.

Share holdings	Number of Holders	% of Total	No of Shares	% of Total
1-100	14317	79.1125	634507	4.8889
101-500	3279	18.1190	687960	5.3008
501-1000	272	1.5030	213872	1.6479
1001-2000	114	0.6299	165305	1.2736
2001-3000	38	0.2099	93445	0.7200
3001-4000	13	0.0718	45650	0.3517
4001-5000	8	0.0442	35967	0.2771
5001-10000	20	0.1105	155292	1.1965
10001- and above	36	0.1989	10946338	84.3431
Total	18097	100.00	12978336	100.00

12. Dematerialization of Shares : The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participants. As on 31.03.2010, 4057716 numbers of shares representing 31.26% of the total shares of the Company are in dematerialized form.
13. During the year the Company has not issued any securities.
14. Address for Correspondence : Raj Television Network Limited  
Regd. Off: 32, Poes Road, Second Street,  
Teynampet, Chennai-600 018  
Tel: +91-44-24334149-51 Fax: +91-44-24341260  
Email:rajtv@vsnl.com Website: www.rajtvnet.in

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For RAJ TELEVISION NETWORK LIMITED



Company Secretary

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**DIRECTOR'S RESPONSIBILITY STATEMENT FOR THE YEAR 2009-10**

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In terms of and pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, in relation to the Annual Statement of Accounts for financial year 2009-2010, state and confirm that:

- i) The Accounts had been prepared on a 'going concern' basis and in such preparation the applicable accounting standards had been followed with proper explanation relating to material departures;
- ii) Your Directors had 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 / loss of the Company for that year; and
- iii) Your Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. All Board members and Senior Management Personnel have affirmed compliance with the stipulated code of conduct.

On behalf of the Board

Place : Chennai

Date : 28<sup>th</sup> July 2010

Raajhendhran M  
Chairman

---

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE Company's CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of conduct for its Board Members and senior management of the Company.

I confirm that the Company has in respect of the financial year ended March 31,2010, received from the senior management team of the company and the members of the Board a declaration of compliance with the Code of conduct as applicable to them.

Place: Chennai

Date: 28<sup>th</sup> July 2010

For Raj Television Network Limited

Raajhendhran M  
Managing Director

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**For RAJ TELEVISION NETWORK LIMITED**

A handwritten signature in black ink, appearing to be 'Raj', written over a horizontal line.

Company Secretary

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION FOR THE YEAR 2009-10**

To,  
The Board of Directors  
Raj Television Network Ltd

In relation to the audited accounts of the Company as at 31<sup>st</sup> March, 2010 we hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2009-2010 and that to the best of our knowledge and belief :
- i. these statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. 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.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and Audit Committee the following :
- i. significant changes in internal control over financial reporting during the year, if any;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - iii. There have been no instances of fraud of which we have become aware.

For Raj Television Network Ltd

Place: Chennai  
Date: 28<sup>th</sup> July 2010

Raajhendhran M. M. Ravindran  
Managing Director Whole Time Director

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**For RAJ TELEVISION NETWORK LIMITED**

**Company Secretary**

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**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members of  
**RAJ TELEVISION NETWORK LIMITED**

We have examined the compliance of conditions of Corporate Governance by Raj Television Network Limited, for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures 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 and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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.

For PRATAPKARAN PAUL & CO.,  
Firm Registration Number: 002777S  
Chartered Accountants,  
Pratapkararan Paul,  
Partner.  
Membership No:023810

28<sup>th</sup> July 2010.  
Chennai

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For RAJ TELEVISION NETWORK LIMITED

Company Secretary

### AUDITORS' REPORT TO THE MEMBERS OF RAJ TELEVISION NETWORK LIMITED

1. We have audited the attached Balance Sheet of RAJ TELEVISION NETWORK LIMITED as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account and the 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 statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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  
(a) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by management in the preparation of financial statements and (d) evaluating the overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) amendment order, 2004, issued by the Central Government of India in terms of section 227(4A) 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.

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

- a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of audit.
- b) In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as directors in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010
  - ii) In the case of Profit and loss Account, of the loss for the year ended 31<sup>st</sup> March 2010 and
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

28<sup>th</sup> July 2010  
Chennai

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For PRATAPKARAN PAUL & CO.,  
Firm Registration Number: 002777S  
Chartered Accountants,

Pratapkaran Paul,  
Partner.  
Membership No:023810.

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**For RAJ TELEVISION NETWORK LIMITED**

**Company Secretary**

**Annexure referred to in paragraph 3 of Auditors' Report to the Members of RAJ TELEVISION NETWORK LIMITED on the accounts for the year ended 31<sup>st</sup> March 2010.**

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) As explained to us, all the assets have been physically verified by the management at a reasonable interval during the year.
- c) According to the information and explanation given to us, no material discrepancies were noticed on such verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- 2) a) As the Company's business is that of satellite transmission and the Company does not carry on any manufacturing Activity, the reporting on verification of inventory by the management does not arise. However, film rights purchased and not telecasted during the year are maintained as inventory.
- 3) a) The Company has not granted a loan, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- b) As informed to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchase of Inventory, Fixed Assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weakness in internal control systems.
- 5) a) In our opinion, the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and
- b) In our opinion, each of these transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits within the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) As explained to us, the Central Government has not prescribed maintenance of Cost Record for any of the products manufactured by the Company under section 209 (1) (d) of the Companies Act, 1956.
- 9) a) The Company has been regular in depositing undisputed statutory dues including Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and cess with the appropriate authorities.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

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**For RAJ TELEVISION NETWORK LIMITED**

*[Signature]*

**Company Secretary**



- c) According to the information and explanation given to us, there is no dues of Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and cess and other undisputed statutory dues which have not been deposited on account of any dispute.
- 10) The Company has no accumulated losses at the end of the financial year and it has incurred cash losses in the current financial year under report. And it has made profit in the immediately preceding financial year.
- 11) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
- 12) As explained to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13) In our opinion, the Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion, short-term loans are applied for the purpose of which they were obtained.
- 17) According to the information and explanation given to us, and based on financial statement of the Company, we report that no funds raised on Short-term basis have been used for long-term investment.
- 18) 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.
- 19) The Company has not issued debentures during the year.
- 20) No security or charge has been created in respect of debentures issued by the Company.
- 21) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial Statement and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

28<sup>th</sup> July 2010  
Chennai

For PRATAPKARAN PAUL & CO.,  
Firm Registration Number: 0027775  
Chartered Accountants,  
Pratapkaran Paul,  
Partner.  
Membership No:023810.

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**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**

## RAJ TELEVISION NETWORK LIMITED

No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018  
BALANCE SHEET AS AT 31st MARCH 2010

SOURCES OF FUNDS	Sch No.	(Amount in Rs.) As on 31.03.2010	(Amount in Rs.) As on 31.03.2009
Shareholder' Fund			
Share Capital	1	129,783,360	129,783,360
Reserves and Surplus	2	<u>838,266,911</u>	<u>996,024,883</u>
Deferred Tax Liability	3	53,715,391	58,327,250
Loan Fund			
Secured Loan	4	<u>21,444,779</u>	<u>147,473,584</u>
Total		<u>1,043,210,441</u>	<u>1,331,609,078</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	597,497,129	576,897,648
Less: Accumulated Depreciation	169,231,655	<u>169,231,655</u>	<u>143,509,928</u>
Net Block		428,265,474	433,387,720
Investments	6	10,631,820	10,631,820
Current Assets, Loans and Advances			
Inventories		6,200,000	
Sundry Debtors	7	<u>433,881,727</u>	<u>560,586,218</u>
Cash and Bank Balances	8	72,064,873	200,272,044
Loans and Advances	9	<u>144,619,715</u>	<u>186,997,475</u>
Less : Current Liabilities	10	67,006,519	953,055,737
Net Current Assets		589,759,795	94,572,904
Miscellaneous Expenditure to the extent not written off		<u>14,553,352</u>	<u>29,106,705</u>
Total		<u>1,043,210,441</u>	<u>1,331,609,078</u>

## Notes on Accounts and Significant Accounting policies: 18

The schedules referred to the above form an integral part of the Balance Sheet.

As per our report of even date

For Pratapkaran Paul & Co.,  
Chartered Accountants.,

For and on behalf of the Board of directors

Firm Registration Number: 002777S

Pratapkaran Paul

Partner.

M. No. 23810

Chennai

28th July 2010

Raajhendra.M  
Managing Director

M.Ravindran  
Director  
Company Secretary

Manohar G.K  
Company Secretary

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For RAJ TELEVISION NETWORK LIMITED

Company Secretary

**RAJ TELEVISION NETWORK LIMITED**  
**No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	Sch No.	(Amount in Rs.) For the Year ended 31.03.2010	(Amount in Rs.) For the Year ended 31.03.2009
<b>INCOME</b>			
Revenue	11	449,076,583	596,978,243
Other Income	12	<u>12,691,354</u>	<u>25,587,500</u>
<b>EXPENDITURE</b>		<b>461,767,937</b>	<b>622,565,743</b>
Operational Expenses	13	232,928,394	283,828,004
Administration and Selling Expenses	14	287,802,635	223,055,684
Establishment Expenses	15	<u>64,723,505</u>	<u>61,136,098</u>
Operating Profit / (Loss)		<u>(123,686,596)</u>	<u>54,545,957</u>
Financial Expenses	16	12,289,809	12,743,914
Depreciation	5	26,180,856	25,347,225
Profit / (Loss) After Depreciation		<u>38,470,665</u>	<u>38,091,139</u>
Less : Prior period Adjustments	17	<u>(162,157,261)</u>	<u>16,454,819</u>
Profit / (Loss) Before Taxation		<u>212,570</u>	<u>111,416</u>
Provision for Taxation		<u>(162,369,831)</u>	<u>16,566,235</u>
- Current			8,742,075
- Deferred Tax Current Year		<u>(4,611,859)</u>	<u>(2,651,117)</u>
- Fringe Benefit Tax			1,339,362
Amount Transferred to Balance Sheet		<u>(157,757,972)</u>	<u>7,430,320</u>
Nominal Value of Share (in Rs)		10	10
Basic and diluted EPS before Extra Ordinary item (in Rs)		(12.16)	0.70
Basic and diluted EPS after Extra Ordinary item (in Rs)		(12.16)	0.70

Notes on Accounts and Significant Accounting policies 18

The schedules referred to the above form an integral part of the Profit and Loss Account.

As per our report of even date  
For Pratapkaran Paul & Co.,  
Chartered Accountants.,

Firm Registration Number: 002777S  
Pratapkaran Paul  
Partner.  
M. No. 23810

Chennai  
28th July 2010

For and on behalf of the Board of directors

Raajhendrahran.M      M. Ravindran      Manohar G.K  
Managing Director      Director      Company Secretary

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**For RAJ TELEVISION NETWORK LIMITED**



**Company Secretary**

**RAJ TELEVISION NETWORK LIMITED**  
**No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018**  
**CASH FLOW STATEMENT**

	As on 31.03.2010 Rupees	As on 31.03.2009 Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
1. Net Profit / (Loss) Before Tax and extra Ordinary Items	(162,369,831)	16,566,235
Adjustments for:		
2. Amortization of Deferred revenue expenditure	14,553,353	14,553,353
3. Loss / (Profit) on sale of asset	139,060	(235,968)
4. Depreciation	26,180,856	25,347,225
5. Interest paid	12,289,809	12,743,914
<b>Operating Profit / Loss before working capital Changes</b>	<b>(109,206,753)</b>	<b>68,974,758</b>
Adjustments for :		
6. Trade and Other Receivables	125,704,490	(125,900,823)
7. Loans and Advances	42,377,761	(46,163,536)
8. Trade Payable	(27,566,385)	(72,496,102)
<b>Cash generated from Operations</b>	<b>31,309,113</b>	<b>(175,585,702)</b>
Direct Tax	-	(10,081,437)
<b>Net Cash from Operating Activities</b>	<b>31,309,113</b>	<b>(185,667,139)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Assets	50,600	545,800
Purchase of Assets	(21,248,270)	(60,560,648)
Acquisition of Shares	-	(10,631,820)
<b>Net cash from Investing Activities</b>	<b>(21,197,670)</b>	<b>(70,646,668)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term Borrowings	(126,028,805)	104,270,080
Interest	(12,289,809)	(12,743,914)
<b>Net cash from Financing Activities</b>	<b>(138,318,614)</b>	<b>91,526,166</b>
<b>Net Cash Flow During the year</b>	<b>(128,207,171)</b>	<b>(164,787,641)</b>
<b>Cash and Cash Equivalent as at 01.04.2009</b>	<b>200,272,044</b>	<b>365,059,685</b>
<b>Cash and Cash Equivalent as at 31.03.2010</b>	<b>72,064,873</b>	<b>200,272,044</b>

As per our report of even date

For Prataakaran Paul &amp; Co.,

Chartered Accountants.,

Firm Registration Number: 0027775

Prataakaran Paul

Partner.

M. No. 23810

Chennai

28th July 2010

For and on behalf of the Board of directors

Raajhendiran.M

Managing Director

M. Ravindran

Director

Manohar G.K

Company Secretary

**CERTIFIED TRUE COPY****For RAJ TELEVISION NETWORK LIMITED**
**Company Secretary**

**Schedules to Balance Sheet**

	As on 31.03.2010	As on 31.03.2009
--	---------------------	---------------------

**Schedule 1 : Share Capital**

Authorised Capital	150,000,000	150,000,000
1,50,00,000 Equity Shares of Rs.10 each.		
Issued, Subscribed and Paidup Share Capital	129,783,360	129,783,360
1,29,78,336 Equity Shares of Rs.10 each.		
(Out of the above, 89,20,535 Equity shares of Rs.10/- each were issued as fully paid up bonus shares by capitalisation of free reserves)		
<b>Total</b>	<b>129,783,360</b>	<b>129,783,360</b>

**Schedule 2 : Reserves and Surplus**

(i) Securities Premium Account	561,602,418	561,602,418
(ii) Profit and Loss Account	427,685,221	418,549,307
Balance, beginning of year	(157,757,972)	9,135,914
Add/(Less) : Profit transferred from Profit & Loss Account	269,927,249	427,685,221
Balance at the end of year	6,737,244	6,737,244
(iii) General reserve Transferred from the profit & loss A/c	838,266,911	996,024,893
<b>Total</b>		

**Schedule 3 : Deferred Tax Liability / (Asset) Net**

Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from:	53,541,184	58,227,318
Depreciation / Amortisation	174,207	99,932
Section 40(A) disallowance	53,715,391	58,327,250
<b>Total</b>		

**Schedule 4 : Secured Loans (Refer Note 2 of Schedule 18B)**

Canara Bank	19,784,053	45,719,568
Cash Credit	-	99,779,526
Term Loan	1,660,726	1,974,490
Vehicle Loan	21,444,779	147,473,584
<b>Total</b>		

**Schedule 5 : Fixed Assets**

S. No	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 01.04.2009	ADDITIONS	DELETIONS	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE PERIOD	DELETION	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	LAND	115,533,547	20,000	-	115,533,547	-	-	-	115,533,547	115,533,547	115,533,547
2	BUILDING	21,920,819	4,676,915	-	26,597,734	2,365,741	371,857	-	2,735,592	23,862,142	19,557,878
3	PLANT & MACHINERY	373,197,945	8,135,866	-	381,333,811	104,678,565	17,810,823	-	122,488,588	258,845,223	268,519,380
4	COMPUTERS	23,653,624	1,280,495	-	24,934,119	12,985,817	3,990,439	-	16,967,256	7,966,863	10,666,807
5	VEHICLES	35,028,437	-	648,789	34,379,648	19,239,488	3,473,888	459,129	22,254,257	12,125,391	15,788,939
6	FURNITURE & FIXTURES	7,583,276	7,134,994	-	14,718,270	4,241,307	544,655	-	4,785,962	9,932,308	3,344,589
Total		576,897,648	21,248,270	648,789	597,497,129	143,509,928	26,180,856	459,129	169,231,655	428,265,474	433,387,720

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**For RAJ TELEVISION NETWORK LIMITED**

**Company Secretary**

Schedules forming part of Profit & Loss Account	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>Schedule 6 : Investments</b>		
Quoted - Long term in equity shares - at cost		
15,000 (Previous year 15,000) equity shares		
Rs. 1 each fully paid up in Balrampur Chini Mills Limited	1,635,000	1,635,000
8,000 (Previous year 8,000) equity shares		
Rs. 1 each fully paid up in GMR Infrastructure Limited	1,352,000	1,352,000
6,512 (Previous year 6,512) equity shares		
Rs. 2 each fully paid up in Jaiprakash Power Ventures Limited	487,749	487,749
22,451 (Previous year 22,451) equity shares		
Rs. 2 each fully paid up in Suzlon Energy	6,568,489	6,568,489
1,100 (Previous year 1,100) equity shares		
Rs. 1 each fully paid up in Tata Communications Limited	588,583	588,583
Market value of quoted investments (CY : Rs.4,239,936 & PY: Rs.3,268,718)		
<b>Total</b>	<b>10,631,820</b>	<b>10,631,820</b>
<b>Schedule 7 : Sundry Debtors</b>		
Unsecured and considered good		
More than six months	274,845,124	386,395,864
Less than six months	159,036,603	174,190,353
<b>Total</b>	<b>433,881,727</b>	<b>560,586,218</b>
<b>Schedule 8 : Cash and Bank Balances</b>		
Cash in Hand	123,719	109,429
Balances with Scheduled Bank in -		
Deposit Account *	68,464,194	207,614,298
Current Account	3,476,960	(7,451,682)
* Balances in deposit accounts with scheduled bank includes unutilised monies from the public issue of Rs. 3,45,00,000 ( 31.03.2009 - Rs.17,50,00,000 )		
<b>Total</b>	<b>72,064,873</b>	<b>200,272,044</b>
<b>Schedule 9 : Loans and Advances and Deposit</b>		
Advance Recoverable in Cash or Kind or Value to be received		
Deposits	135,163,303	168,984,603
<b>Total</b>	<b>144,619,715</b>	<b>186,997,475</b>
<b>Schedule 10 : Current Liabilities</b>		
Sundry Creditors		
- Total outstanding dues of Micro and Small Enterprises		
- Others	24,827,802	71,369,137
Deposits and Advance from customers	42,178,717	23,203,767
<b>Total</b>	<b>67,006,519</b>	<b>94,572,904</b>

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**For RAJ TELEVISION NETWORK LIMITED**

*[Signature]*

Company Secretary

Schedules forming part of Profit & Loss Account	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>Schedule 11 : Revenue</b>		
Income from Broadcasting Operations	412,968,933	519,831,826
Income from Other Operations	66,717,643	107,396,138
<b>Gross Revenue</b>	<b>479,686,576</b>	<b>627,227,964</b>
Less : Service Tax	30,609,993	30,249,721
	<b>449,076,583</b>	<b>596,978,243</b>
<b>Schedule 12 : Other Income</b>		
Interest Income (Tax deducted at Source 31.03.2010 - Rs. 11,78,165 ; 31.03.2009 - Rs.43,98,196)	12,541,346	21,619,412
Other Income	150,008	3,968,088
	<b>12,691,354</b>	<b>25,587,500</b>
<b>Schedule 13 : Operational Expenses</b>	<b>232,928,394</b>	<b>283,828,004</b>
Production Expenses		
<b>Schedule 14 : Administration and Selling Expenses</b>		
Advertisement Expenses	3,595,538	4,188,777
Amortization of deferred revenue expenditure	14,553,353	14,553,353
Audit Fees	200,000	200,000
Bad Debts written off	205,756,280	145,510,067
Commission	2,967,327	5,676,554
Donation	172,001	30,000
Electricity Charges	6,082,828	6,280,133
Entertainment	1,381,330	787,911
Insurance	1,039,230	987,721
Internet & Website charges	518,198	503,625
Legal and Professional Fees	5,114,880	8,029,327
Miscellaneous Expenses	1,180,277	1,335,103
Office Maintenance	276,809	384,828
Postage and Courier	525,870	716,185
Printing and Stationery	2,359,009	3,002,573
Rent	4,036,209	3,365,305
Rate and Taxes	3,323,971	5,913,535
Repair and Maintenance		
- Building	4,556,672	512,985
- Plant and Machinery	1,108,596	1,056,896
- Others	356,820	351,285
Sales Promotion	6,913,054	2,522,476
Security Charges	116,309	628,201
Sitting Fees	190,000	200,000
Telephone Charges	3,271,721	2,988,555
Traveling and Conveyance	11,049,948	7,846,288
Vehicle Maintenance	7,156,405	5,484,001
	<b>287,802,635</b>	<b>223,055,684</b>

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**For RAJ TELEVISION NETWORK LIMITED**



*[Signature]*  
Company Secretary

Schedules forming part of Profit & Loss Account	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>Schedule 15 : Establishment Expenses</b>		
Directors Remuneration	13,000,000	12,500,000
Salary and Allowances	46,901,835	44,326,496
Staff Welfare	2,403,606	1,963,921
Contribution to Provident and other funds	1,905,540	2,051,678
Gratuity	512,524	294,003
	<b>64,723,505</b>	<b>61,136,098</b>
<b>Schedule 16 : Financial Expenses</b>		
Interest	11,608,708	12,100,344
Others	681,101	643,569
	<b>12,289,809</b>	<b>12,743,914</b>
<b>Schedule 17</b>		
Prior Period Adjustments	212,570	111,416
Prior Period Expenses		
<b>Total</b>	<b>212,570</b>	<b>111,416</b>

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**For RAJ TELEVISION NETWORK LIMITED**

*[Signature]*

Company Secretary



## NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

### Schedule 18

#### A. Significant Accounting Policies.

##### 1. Accounting Convention

a) The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting policies and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

b) The company follows Mercantile System of accounting and recognizes items of income and expenditure on accrual basis except those with significant uncertainties.

##### 2. Revenue Recognition

a) Broadcasting services - Advertisement Revenue is recognised when the related advertisement or commercial is telecast.

b) Subscription revenue is recognised on completion of service.

c) Sales comprise amounts invoiced to customers for services provided net of discounts.

d) Sale are recognised when the risk and rewards of ownership are passed onto the Customers.

e) Interest Income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.

##### 3. Fixed Assets

Fixed Assets are stated at their Cost. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage attributable to bringing the assets to working condition for its intended use.

##### 4. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method at the rate specified in Schedule XIV to the Companies Act, 1956.

##### 5. Inventories

Inventories comprises films not telecasted are valued at lower of cost and net realisable value.

##### 6. Transaction in Foreign Currencies

a) Export transactions denominated in Foreign currencies are normally recorded as per actual export realisation.

b) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of the contract.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date.

##### 7. Retirement Benefits

a) Contribution towards Provident Fund and other recognised funds are charged to Profit and loss Account.

b) The Company contributed Rs.5,12,524/- to gratuity fund based on Company's Policy.

##### 8. Segment reporting

The company has no reportable Business or Geographical segment.

##### 9. Taxes on Income

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred tax is recognised, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measure.

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**For RAJ TELEVISION NETWORK LIMITED**



Company Secretary

- 10 Miscellaneous Expenditure**  
Miscellaneous Expenditure include expenses incurred for Initial Public offer and are amortised over a period of 5 years.
- 11 Earning Per Share**  
The Company reports basic and diluted earnings per equity share in accordance with AS-20, 'Earnings Per Share'.
- a) Basic Earning Per Share is computed and disclosed using the weighted average number of common shares outstanding during the year.
  - b) Diluted Earning per Share is computed and disclosed using the weighted average number of common and diluted equity shares outstanding during the year.
- 12 Prior Period Item**  
Income or Expenses which arise in the current period as a result of change in the preparation of the financial statements of one or more prior periods is shown as "Prior Period Item".
- 13 Investments**  
Long-term Investments are carried at cost. The company hasn't provided any provision for increase or decrease in value of the investment.
- B Notes to Accounts**
- 1. Prior Year Comparatives**
    - a) Previous year's figures have been regrouped and reclassified wherever necessary to make them comparable to current year's figures.
    - b) Figures in brackets pertain to previous year.
  - 2. Secured Loans**
  - A. Cash Credit with Banks are secured by**
    - a) Hypothecation of Book Debts of the Company.
    - b) Mortgage of Property at Old No. 13 A, Poes Road, Second Street, Teynampet, Chennai - 18.
    - c) Hypothecation of Fixed deposits
    - d) The Secured Loans are guaranteed by the Directors of the Company
- 3. Fixed Assets.**  
Fixed Assets are valued and shown adopting the following basis:
- a) Fixed assets acquired are shown at the cost of acquisition.
  - b) Fixed assets acquired under Hire Purchase are shown at their principal cost excluding the interest cost.
- 4. Depreciation**  
Depreciation on Fixed Assets is provided on Straight Line Method at the rate specified in Schedule XIV to the Companies Act, 1956.
- 5. Effects of Changes in Foreign Exchange Rates**
- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date
  - b) The change in value of Foreign Currency liability due to increase or decrease in the exchange rate is adjusted against appropriate fixed assets.
- 6. Film and Program Broadcasting rights**  
Cost relating to film and program broadcasting rights are fully expensed on the date of first telecast of the film or program.

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FOR RAJ TELEVISION NETWORK LIMITED

Company Secretary

**7. Managerial Remuneration**

a) No commission is paid / payable to any director and hence the computation of profits under section 198 / 349 of the Companies Act, 1956 is not required.

b) Remuneration paid or provided in accordance with the Schedule XIII of the Companies Act, 1956 to the directors are as follows:

Particulars	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
Directors Remuneration	13,000,000	12,500,000
<b>Total</b>	<b>13,000,000</b>	<b>12,500,000</b>

**8. Auditor's Remuneration (\*)**

- a. For Audit  
b. For Tax Audit  
c. For Other Services

**Total (\*) excluding service tax**

100,000	100,000
50,000	50,000
50,000	50,000
<b>200,000</b>	<b>200,000</b>

**9. Foreign Exchange Transactions**

I. Earnings in Foreign Exchange  
Export of TV Programme

**Total**

Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
21,062,700	14,361,654
<b>21,062,700</b>	<b>14,361,654</b>

**II. Expenditure in Foreign Exchange**

Travelling  
Production Expenses  
Purchase of assets

**Total**

225,351	303,885
1,980,112	1,564,511
5,088,754	9,092,297
<b>7,294,217</b>	<b>10,960,693</b>

**10. Related Party Disclosures**

As per Accounting Standard (AS) -18 issued by The Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

**A) Related parties**

a) Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year.

M/S.Vissa Television Network Limited  
Directors / Key Management Personnel

- Mr. M.Rajhendrahan  
Mr. M.Ravindran  
Mr. M.Rajarathinam  
Mr. M.Raghunathan

Group Company

- Managing Director  
Executive Director  
Executive Director  
Executive Director

**B. Transactions with Related Parties**

**a) Remuneration**

Directors / Key Managerial Personnel

**b) Balance as on 31st March**

Loans and Advances

M/S.Vissa Television Network Limited

Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
13,000,000	12,500,000
<b>36,700,000</b>	<b>44,900,000</b>

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**For RAJ TELEVISION NETWORK LIMITED**

*(Signature)*

Company Secretary

11. Earnings per share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity

Particulars	Units	Year ended 31.03.2010	Year ended 31.03.2010
a. Net profit after tax before Extraordinary Item	Rs.	(157,545,402)	9,135,914
b. Net profit after tax after Extraordinary Item	Rs.	(157,545,402)	9,135,914
c. Weighted average of number of equity shares used in computing basic and diluted Earnings Per Share	No. of shares	12,978,336	12,978,336
d. Basic and Diluted EPS before Extra Ordinary Item (a/c)	Rs.	(12.16)	0.70
e. Basic and Diluted EPS after Extra Ordinary Item (b/c)	Rs.	(12.16)	0.70

12. Provision for Deferred Tax Liability

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax charge:

Particulars	Opening	Amount (Rs.) Charged/ (Credited) to P&L	Closing
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return.	58,327,250	(4,611,859)	53,715,391
<b>Total</b>	<b>58,327,250</b>	<b>(4,611,859)</b>	<b>53,715,391</b>

13. Contingent Liability Particulars

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a) Bank Guarantee given for differential amount of Customs duty in respect of machinery imported under EPCG scheme.	7,733,300	7,733,300
b) Legal cases against the Company	Unascertainable	Unascertainable

14. Balances of the Sundry Debtors and Sundry Creditors are subject to confirmation.

15. Expenditure of Exceptional Nature

During the year, the company has decided to write off bad debts to the extent of Rs.2057.56 Lakhs, which was due from an MSO operator. And this has caused operating loss for this financial year.

As per our report of even date

For Pratapkar Paul & Co.,  
Chartered Accountants.,  
Firm Registration Number: 0027775

Pratapkar Paul  
Partner.

M. No. 23810

Chennai

28th July 2010

For and on behalf of the Board of directors

Raajhendhiran.M Managing Director  
M. Ravindran Director  
Manohar G.K Company Secretary

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For RAJ TELEVISION NETWORK LIMITED

*(Signature)*

Company Secretary

### Part IV Balance Sheet Abstract and Company's General Business Profile

<b>I.</b>	<b>Registration Details</b>	
	Registration No.	027709
	State Code	18
	Balance Sheet Date	31.03.2010
<b>II.</b>	<b>Capital raised during the year (Amount in Thousands)</b>	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placements	NIL
<b>III.</b>	<b>Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>	
	Total Liabilities	1,043,210
	Total Assets	1,043,210
<b>IV.</b>	<b>Source of Funds</b>	
	Paid up Capital	129,783
	Reserves & Surplus	838,267
	Deffered Tax Liability	53,715
	Secured Loans	21,445
<b>V.</b>	<b>Application of Funds</b>	
	Net Fixed Assets	428,265
	Investments	10,632
	Net Current Assets	589,760
	Miscellaneous Expenditure to the extent not written off	14,553
<b>VI.</b>	<b>Performance of Company (Amount in Rs. Thousands)</b>	
	Turnover (including other income)	461,768
	Total Expenditure	624,138
	Profit / (Loss) Before Tax	(162,370)
	Profit / (Loss) After Tax	(157,758)
	Earnings Per share (in Rs.)	(12.16)
<b>VII.</b>	<b>Generic Name(s) of Principal Products / Services of Company (as per monetary terms)</b>	N.A.
	Item Code No. (ITC Code)	
	Product Description	Entertainment Industry
	As per our report of even date	
	For Pratapkaran Paul & Co.,	
	Chartered Accountants.,	
	Firm Registration Number: 002777S	
	Pratapkararan Paul	
	Partner.	
	M. No. 23810	
	Chennai	
	28th July 2010	
	For and on behalf of the Board of directors	
	Raajhendiran.M	Manohar G.K
	Managing Director	Director
		Company Secretary

**CERTIFIED TRUE COPY**



**For RAJ TELEVISION NETWORK LIMITED**



Company Secretary





**Raj Television Network Limited**

Registered Office: 32, Poes Road, IInd Street, Teynampet, Chennai-600 018

**ATTENDANCE SLIP**

Please fill this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip at the venue of the Meeting.

Regd.Folio No/DP ID/Client ID .....

No. of Shares held .....

Name of the share holder/Proxy .....

(In Block Letters) .....

I, hereby record my presence at the 16TH ANNUAL GENERAL MEETING of the Company held on Monday, the 20<sup>th</sup> September 2010 at 10.00 AM Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004.

Signature of the shareholder/proxy

**Raj Television Network Limited**

Registered Office: 32, Poes Road, IInd Street, Teynampet, Chennai-600 018

**PROXY FORM**

Regd.Folio No/DP ID/Client ID .....

No. of Shares held .....

I/We .....

of being a member/members of Raj Television Network Limited hereby appoint \_\_\_\_\_ of failing him \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 16TH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 20<sup>th</sup> September 2010 at 10.00 AM Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004, or at any adjournment there of.



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company.

**CERTIFIED TRUE COPY**



**For RAJ TELEVISION NETWORK LIMITED**

  
Company Secretary





The People's Channel

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