

DIRECTORS' REPORT

TO THE MEMBERS

The Directors are pleased to present their Fifteenth Annual Report on the working of your company along with the audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date.

FINANCIAL HIGHLIGHTS

The financial highlights are set out below:

Particulars	(Rs. In Lakhs)	
	2010 – 2011	2009 – 2010
Revenue	7016.15	6772.38
Profit before Interest Depreciation and Tax	1833.03	1453.01
Interest & Finance Charges	370.35	139.45
Depreciation	1305.46	395.89
Provision for Tax	35.11	121.54
Deferred Tax	45.64	-8.43
Fringe Benefit Tax	-	-
Net Profit for the year	76.47	804.55
Accumulated Profit Brought forward from Balance Sheet	1635.68	885.63
Total Distributable profit	1712.15	1690.18
Dividend		
Dividend Tax		
Profit Carried over to the Balance Sheet	1712.15	1690.18

PERFORMANCE HIGHLIGHTS OF THE YEAR

The Board of Directors is pleased to state that during the financial year under review, the income of the company is Rs 7016.15 Lakhs as against Rs.6772.38 Lakhs for the previous financial year. The EBITDA for the financial year is Rs. 1833.03 Lakhs as against Rs.1453.01 lakhs for the previous financial year. The PAT for the financial year under review is Rs. 76.47 Lakhs as against Rs.804.55 lakhs for the previous financial year.

SHARE CAPITAL

During the year under review there is no change in the Share Capital of the Company.

DIVIDEND

Considering the aggressive expansion plan of your company ahead, and the successful 5:4 bonus issue during the previous year, your board, has not recommended any dividend.

TERM DEPOSITS

During the year under review, the company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The particulars required under Sec.217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure's to this Report.



PARTICULARS OF EMPLOYEES

No employee is in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 and hence furnishing of statement of particulars of employees as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended does not arise.

DIRECTORS

During the financial year under review three new directors viz., Mr. G.Sundaresan, Mr. Vijay R. Vakharia and Mr. T.V.Balachandran were inducted into the Board.

In accordance with the provision of Articles of Association of the company, Ms. Uma Karthikeyan and Mr. R.Rajagopalan, Directors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Board recommends their reappointment as Directors of your Company.

AUDITORS

The auditors, M/s. R Ravindran & Associates, Chartered Accountants have expressed their willingness to continue in office. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956, if appointed. The Board of Directors recommend to the members to appoint them as auditors and authorize the Board to fix their remuneration.

COMPANY SECRETARY

The Company has a whole time company Secretary as required under Section 383A of the Companies Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the companies Amendment Act, 1956, with respect to directors' responsibility statement and subject to the Disclosures in the Annual Accounts, the Board of Directors hereby confirms that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departure, if any;
2. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of financial year ended 31st March 2011 and of the profits of the company for the year ended 31st March 2011;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the Annual Accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement entered with the Bombay Stock Exchange Limited, Management Discussion and Analysis Report is presented in the separate section and forms an integral part of the Director's Report.



CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

A detailed report on Corporate Governance, pursuant to requirement of Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report. A certificate confirming compliance of the conditions of Corporate Governance from a practicing chartered accountant as stipulated under Clause 49 of the listing agreement is annexed to the Corporate Governance Report.

CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, a Certificate on the financial statements and Cash Flow statement of the company for the year ended 31st March 2011 has been duly signed by the two Executive Directors of the company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the Co-operation received from the Central Government, State Government, Company's Bankers, Customers, Vendors and shareholders. Your Directors also wish to place on record their deep sense of appreciation for the contribution made by the employees of the Company for their unstinted efforts in the progress of the company at all levels.

**On behalf of the board
For Sanraa Media Limited**

Sd/-

**G Sundaresan
Chairman**

**Place: Chennai
Date: 30th May 2011**

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of Energy

The Company takes all steps and ensures optimum utilization of the sources of energy and avoids wastage.

B. Technology Absorption

The Information required to be disclosed under Rule 2 of the aforesaid rules is given hereunder in Form –B;

FORM - B

1	Specific Areas in which R&D is Carried Out by the Company	Not Applicable
2	Benefits derived as a Results of the Above R&D Work	Not Applicable
3	Future Plan of Action	The Company is into 2D/3D Animation and other Media Related activities and does not manufacture/assemble any machinery/equipment related to its field of operation and hence expenditure for R&D for manufacture/assembly of the machinery/equipment is not planned at present.
4	Expenditure on R&D a. Capital b. Revenue c. Total d. Total R&D Expenditure as a percentage of total turnover	Not Applicable - - - -

Technology absorption, adaptation and Innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	Not Applicable
2	Benefits derived as a results of the above efforts, e.g., product improvement, cost reduction, product development, import substitutions, etc.	Not Applicable
3	In Case of Imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished; a. Technology Imported b. Year of Import c. Has Technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place reasons therefore and future plan of action	Not Applicable - - - -

C. Foreign Exchange Inflow and Outflow

(Amount in Rs. '000)

		For the Year Ended 31 st March 2011	For the Year Ended March 2010
1	Inflow	77,536	93,214
2	Outflow	309	2,257

The Foreign Exchange earnings represent the services rendered in India to the International customers.

REPORT ON CORPORATE GOVERNANCE

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance:

Sanraa Media Limited (hereinafter referred to as "Company") is adopting high standards of excellence in Corporate Governance and believes that good corporate government practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the company and help the company achieve its goal of maximizing value for all its stakeholders.

Company understands and respects its responsibility towards all its stakeholders, which includes, its esteemed customers, providers of the capital, employees, those from whom we buy and the society at large. Corporate Governance norms are an integral part of all our activities and are respected not just in letter, but more importantly, in spirit. We at the Company believe that good Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor's confidence.

2. Board of Directors

Composition

As on 31st March 2011, the Board of Directors of the Company consisted of Three Executive Directors and Five Non Executive Directors who are independent directors. Mrs. Uma Karthikeyan, Mr. Sukumar Subramanian and Mr.G.Sundaresan are Executive Directors. Other members of the Board are independent and non-executive directors

As per the provisions of the Listing Agreement with the Bombay Stock Exchange Limited and Madras Stock Exchange Limited the board consists of adequate combination of Executive, Non-Executive and Independent Directors.

The details as to the Attendance of Directors in the Board Meetings and in the last AGM held on 29th September 2010 and the number of other directorships and committee memberships/chairmanship as on 31st March 2011 are as follows:-

Name of the Director	Date of Appointment	Category	Attendance in Board Meeting		Attendance in Last AGM	Number of Directorships in other Companies	No of Committees** (Including Sanraa Media Ltd.)	
			Held	Attended			Chairman	Member
Mr. G.Sundaresan	12.02.2010	Chairman Executive Director	9	8	No	1	1	Nil
Mrs. Uma Karthikeyan	30 th Aug 2005	Executive Director	9	9	Yes	2	Nil	3
Mr. Sukumar Subramanian	28 th September 2007	Executive Director	9	7	No	2	Nil	Nil
Mr. Rajeev Agarwal	27 th March 2006	Independent Director	9	5	No	1	2	Nil
Mr. K Rajagopal	27 th March 2006	Independent Director	9	4	No	Nil	1	1
Mr. R Sivashankaran	27 th March 2006	Independent Director	9	5	Yes	Nil	Nil	1
Mr. Vijay R. Vakharia	10.03.2010	Independent Director	9	7	Yes	1	Nil	Nil
Mr. T.V.Balachandran	14.11.2009	Independent Director	9	4	Yes	Nil	Nil	Nil

- For the Number of Directorships in other committees Public Limited Companies are considered. Private Limited Companies, Foreign Companies and companies registered under Section 25 of the Company's Act, 1956 have been excluded.
- Committees includes Audit Committee and Shareholder's/Investors' Grievance Committee only.

Appointment /Resignation of Independent Director

During the Year under Review none of the Independent Directors resigned from the Board and hence appointment of new independent director within 180 days of the Resignation of the existing director does not arise.

Board Procedures

The Board of Directors has met Nine (9) times during the financial year under review. The dates on which the meetings were held are given below:

31st May 2010, 4th September 2010, 13th August 2010, 12th November 2010, 12th February 2011, 9th March 2011, 11th March 2011, 21st March 2011 and 24th march 2011.

In respect of these meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for that purpose. The gap between any two meetings has been less than four months and thus the company is in compliance with Clause 49 of the Listing Agreement.

Information Supplied to the Board

The board of Sanraa Media Limited is presented with all the relevant information well in advance before each meeting on various matters affecting the working of the company, as well as those that require deliberation at the highest level. Directors have separate and independent access to senior management at all times.

In addition to items, which are required to be placed before the board for its noting and/or approval under the statutes or regulations, information is also provided for the periodic review/information on various items, such as:

- Sales, operations, investments and financial performance
- Financial results
- Staff matters, including senior appointments and extensions
- Labour matters and human resource issues
- Legal proceedings by or against the company
- Legal compliance reports
- Share transfer and demat compliance
- Donations and other significant matters

According to the statutes, at least two-third of the board should consist of retiring directors. Of these, a third is required to retire every year and, if eligible, may seek re-appointment by the shareholders. On this occasion, the retiring directors are Mr. Rajeev Agarwal and Mr. Vijay R. Vakharia who, being eligible, have offered their candidature for re-appointment

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the listing agreement with the Stock Exchanges are also forming part of the notice of the Fourteenth Annual General Meeting to the shareholders of the Company.

The Annual General Meeting for the year 2010 was held on 29th September 2010 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

Review of legal compliance Reports

During the year under review, the Board has periodically reviewed the compliance reports prepared and placed before it in respect of compliance with provisions of various laws as applicable to the company.

3. Audit Committee

Constitution and composition

The terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement besides other terms as may be referred to by the Board.

The Audit Committee act as a link between the management, the statutory and the Board of Directors. The Audit committee is responsible for company's financial and accounting controls, plans and policies, plans and procedures and reviews the other functions through various internal reports and also certificates issued by Statutory Auditors. Quarterly and Annual Accounts are placed before the Audit Committee prior to being presented to the Board and the committee reviews the financial statement in view of the adopted Accounting policies and Practices, Compliance with Accounting standards and other legal requirements.

Composition

The Audit committee constituted by the Board Consists of Two Independent Directors and One Executive Director. All members of Audit Committee possess financial/accounting expertise. The Chairman of the Audit Committee is an independent director.

The Committee has met Five times during the year on 31st May 2010, 13th August 2010, 4th September 2010, 14th February 2011, and 24th March 2011. And in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose. The gap between any two meetings has been less than four months-thus complying with the Clause 49 requirement.

The composition and category of Members of the Audit Committee of the Board of Directors and attendance at the meeting as follows:

S No	Name of the Director	Designation	Category	Attendance	
				Held	Attended
1	Mr. Rajeev Agarwal	Chairman	Non Executive – Independent	5	5
2	Mr. K Rajagopal	Member	Non Executive – Independent	5	5
3	Mrs. Uma Karthikeyan	Member	Executive	5	4

4. Remuneration Committee

The Remuneration Committee of the Board of Directors consists of all non-executive Directors and two of them are independent directors. The Remuneration Committee reviews and recommends the remuneration of Executive Directors and evaluates their performance based on overall performance of the Company and Individual Performance. No Sitting fees are paid to any of the Directors.

During the year under review there were two executive Directors. There was on changes in the executive directors during the year under review. All other directors are non-executive directors and no remuneration is paid to them including sitting fees.

Composition

The Composition of the remuneration committee is as follows:

S.No	Name of the Director	Designation	Category
1	Mr. G Sundaresan	Chairman	Executive
2	Mr. Vijay Vakharia	Member	Non-Executive
3	Mr. K Rajagopal	Member	Independent
4	Mr. R Sivashankaran	Member	Independent

The Company Secretary acts as a Secretary to the Committee.

Details of Remuneration to Executive Directors

S.No	Name of the Director	Amount Paid (In Rs "000) Per Annum
1	Mr. G.Sundaresan	1,200
2	Mr. Sukumar Subramanian	1,200
3	Mrs. Uma Karthikeyan	1,200

The amount paid to the Executive Directors is as per the approval of the Members in their general meeting.

Details of Remuneration to Non-Executive Directors

No remuneration was paid to the non-executive independent director during the year 2010-2011 and they have also waived the payment of sitting fees. All the other Non-Executive Directors does not hold any shares in Company as 31st March 2011 and no convertible instruments were issued to them during the year under review.

During the year under review there was no pecuniary relationship or transaction with the Non-Executive Directors.

5. Investors' Grievance and Share Transfer Committee

The Board has Constituted Investors Grievance and Share Transfer Committee which oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc, Redressal thereof, within the purview of the guidelines setout in the listing agreement.

Composition

The committee is headed by a Non-Executive and Independent Director. The Committee met and the composition of the committee and details of Attendance are as under:

S No	Name of the Director	Designation	Category	Attendance	
				Held	Attended
1	Mr. K Rajagopal	Chairman	Non Executive – Independent	12	12
2	Mr. R Sivashankaran	Member	Non Executive – Independent	12	12
3	Mrs. Uma Karthikeyan	Member	Executive	12	8

The Company Secretary of the Company is the Compliance Officer of the Company.

During the year under review the Committee met Twelve times.

The meetings were attended by all the members of the committee.

All the complaints received by the Registrars and Transfer agents of the Company during the year have been sorted out and the requisite information has been sent to the shareholders.

During the year under review, the company has resolved all the complaints received, within the stipulated time.

6. General Body Meetings:

The details of last three Annual General Meeting of the Company along with the No of Special Resolutions passed are as follows: -

Year	Date	Time	Venue	No of Special Resolutions Passed
2006-2007	28 th September, 2007	10.00 A.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	Nil
2007-08	30 th September 2008	11.00 A.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	4
2008-09	29 th September 2009	11 A.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	6
2009-10	29 th September 2010	12.00 P.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	2

All the resolutions including the special resolutions as set out in the respective notices were passed by the shareholders unanimously.

The details of Extraordinary General Meeting of the members held during the previous three financial years along with the No of Special Resolutions passed are as follows: -

Year	Date	Time	Venue	No of Special Resolutions Passed
2006-2007	2 nd January, 2007	11.00 A.M	No.3 S V Salai, No.131, Thiyagaraya Road, T Nagar, Chennai 600 017	<ul style="list-style-type: none"> ➤ Increase in Authorised Capital ➤ Issue of GDR's ➤ Further Issue of Shares ➤ Increase in Limits under Section 293 (1) (a) of the Companies Act, 1956. ➤ Increase in Limits under Section 293 (1) (d) of the Companies Act, 1956. ➤ Increase in Limits under Section 372 A of the Companies Act, 1956.

2007-2008	04 th December 2007	11.00 A.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	<ul style="list-style-type: none"> ➤ Appointment of Mr.A.Venkatramani as Director ➤ Appointment of Mr.A.Venkatramani as Non-executive Chairman ➤ Issue of equity shares/warrants on preferential basis
2008-09	26 th November 2008 12 th January 2009		Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	<ul style="list-style-type: none"> ➤ Issue of 1:1 Bonus shares ➤ Conversion of One share of Rs.10/- into 10 shares of Re.1/- each.
2009-10	12 th February 2010		Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	<ul style="list-style-type: none"> ➤ Increase of Authorised Capital from Rs.75 Crores to Rs.125 Crores ➤ Issue of 4:5 Bonus shares

During the Year under review No Extra Ordinary General Meeting was held.

7. Disclosures

a. Material Transactions

There are no materially significant related party transactions having potential conflict with the interest of the Company at large.

b. Details of Non-Compliance, Penalties

There were no instances of non-compliance on any matter relating to the capital market during the last three years.

c. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, a Certificate on the financial statements and Cash Flow Statement of the company for the year ended 31st March 2011 has been duly signed by the two Executive Directors of the Company.

d. Details of information on appointment of new/re-appointment of directors

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board forms part of the Notice convening the 15th Annual General Meeting.

e. Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of Sanraa Media Limited are in place. In light of the SEBI (Insider Trading) Amendment Regulations, 2002, a fresh set of guidelines was issued by the company on the subject to the directors, officers and designated employees of the company. The code of conduct and corporate disclosure practices framed by the company helps in ensuring compliance with the amended regulations. The said code of conduct is also put up on the internal portal of the company.

f. Whistle Blower Policy

The Company has been consistently adopting professional and transparent policies in accordance with the global standards of best practices and governance. As a part of implementing the above, the company has put in place a Whistle Blower Policy to enable the employees to participate in fostering transparent practices in the organization. The said policy is also put up on the internal portal of the company.

The Company has complied with all the Mandatory requirements of Clause 49 of the listing agreement.

Code of Conduct

The Board had laid down a code of conduct for all board members and senior management of the company. All board members and senior management personnel have affirmed compliance with the code for 2010-2011. A declaration to this effect signed by CEO is given in this Annual Report.

8. Means of Communication to Shareholders

The Company communicates the developments taking place in the Company through Quarterly Results, Press Releases etc. The quarterly and annual financial results are published in Trinity Mirror and Makkal Kural. These are not sent individually to the Share Holders. These Results, Press Releases and Presentations are posted on the website of the Company at www.sanraamedia.com.

All the information about the company is promptly sent through facsimile, email and also by post to the Stock Exchange where the shares of the company are listed and are released to press for information of the public at large.

9. General Shareholder Information:

(i) Annual General Meeting

Day, Date and Time	Thursday, 29 th December 2011 at 12.30 P.M
Venue	Hotel New Woodlands, Dr Radhakrishna Salai, Mylapore, Chennai 600 004

(ii) Financial Year

Financial Year of the Company is from 1st April to 31st March.

(iii) Financial Calendar

The Financial Reporting for the Quarter are done as follows:

1 st quarter ended June 30, 2011	Second week of July 2011
2 nd quarter ended Sep 30, 2011	Second week of November 2011
3 rd quarter ended Dec 31, 2011	Second week of February 2011
4 th quarter ended March 31, 2012.	Fourth week of May 2012

(iv) Date of Book Closure

From 26th December 2011 to 30th December 2011. (Both days inclusive)

(v) Listing on Stock Exchange

The equity shares of the company are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and Madras Stock Exchange Limited, Stock Exchange Building, 2nd Line Beach, Chennai – 600 001.

(vi) Stock Code

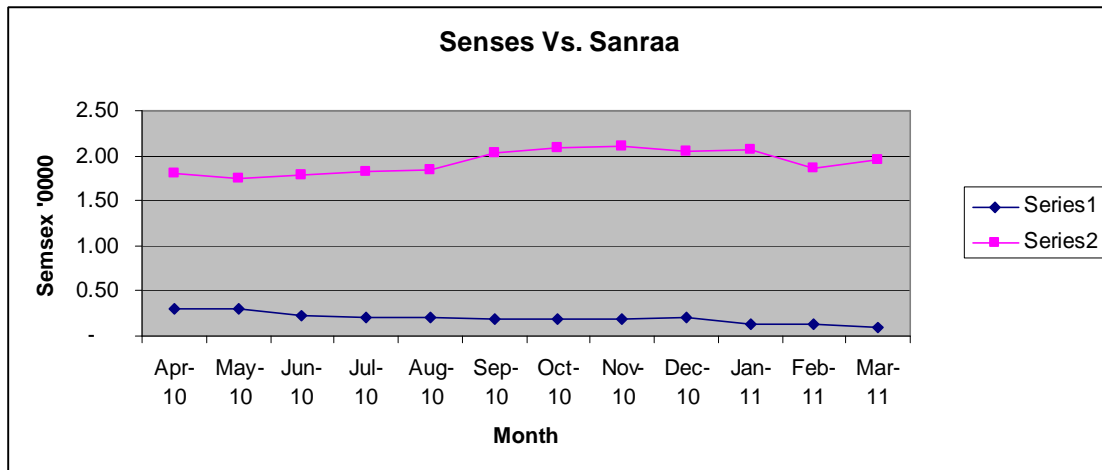
The Scrip Code of the Company in Bombay Stock Exchange Limited is 531312 and the company's shares are not traded in Madras Stock Exchange Limited. Under Depository System ISIN No. allotted to the Equity Shares of the Company is **INE 889C01022**

(vii) Market Price Data in Comparison with BSE Sensex:

Equity Share Price Data and Volume from 1st April 2010 to 31st March 2011 and BSE Sensex Data for the said period as per the information available on Bombay Stock Exchange website is as Follows:

Month	Market Price and volume of Trading of Equity Shares					BSE Sensex	
	Open	High	Low	close	volume	High	Low
Apr-10	0.37	0.38	0.31	0.31	7,60,76,764	18047.86	17276.8
May-10	0.32	0.35	0.27	0.30	5,71,17,372	17536.86	15960.15
Jun-10	0.31	0.34	0.20	0.22	19,21,45,351	17919.62	16318.39
Jul-10	0.23	0.23	0.20	0.21	10,15,25,513	18237.56	17395.58
Aug-10	0.20	0.23	0.20	0.20	12,51,15,307	18475.27	17819.99
Sep-10	0.20	0.23	0.19	0.19	12,58,93,608	20267.98	18027.12
Oct-10	0.19	0.21	0.19	0.19	7,89,36,916	20854.55	19768.96
Nov-10	0.20	0.22	0.18	0.19	9,34,15,607	21108.64	18954.82
Dec-10	0.19	0.31	0.19	0.20	26,33,18,664	20552.03	19074.57
Jan-11	0.21	0.21	0.13	0.13	17,73,47,597	20664.8	18038.48
Feb-11	0.13	0.13	0.13	0.13	6,96,44,787	18690.97	17295.62
Mar-11	0.13	0.13	0.10	0.10	9,94,58,573	19575.16	17792.17

SENSEX Movement for the year. (Based on the price of the last day of each month)



(viii) **Registrar and Transfer Agents**
M/s. GNSA InfoTech Private Ltd
GR Mansion, 1st Floor, Srinivasan Road
Pondy Bazar, T Nagar
Chennai – 600 017. Tel. 044 – 42121428/29.
Fax: 044 - .044-42121430
email: rdevasahayam@gnsaindia.com

(ix) **Share Transfer System**

Share Transfer activities under the physical as well as demat mode are being carried out by GNSA InfoTech Private Limited, Registrar and Transfer Agents of the Company. Physical Share Transfers are approved by Investor' Grievance and Share Transfer Committee of the Board of Directors.

(x) Distribution of Shareholding as on 31st March 2011

SANRAA MEDIA LIMITED					
DISTRIBUTION OF HOLDINGS - 31/03/2011					
Share or debenture holding of nominal value of		Share / Debenture holders		Share / Debenture amount	
Rs.	Rs.	Number	% to total	(In Rs.)	% to total
Up to 5,000		1366	4.54	3123010	0.03
5,001 - 10,000		1016	3.38	9134060	0.08
10,001 - 20,000		1735	5.77	25067490	0.21
20,001 - 30,000		3437	14.43	80410850	0.67
30,001 - 40,000		621	2.06	22079270	0.18
40,001 - 50,000		4275	14.22	197223340	1.65
50,001 - 1,00,000		4533	15.07	380892330	3.18
Above 1,00,000		13090	43.53	11243069650	94.00
GRAND TOTAL		30073	100.00	11961000000	100.00

(xi) Dematerialization of Shares

The trading in the Company's Equity Shares on the Stock Exchanges are compulsorily traded in dematerialized form are available for dematerialization with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2011, 96.91 % of shares of the company have been dematerialized that is to say 115,91,53,806 equity shares out of 119,61,00,000 Equity Shares of the Company have been dematerialized. The detailed break-up of shares as on 31st March 2011 is as follows:

Particulars	No. Of Shares	Percentage
CDSL	423668339	35.42
NSDL	735485467	61.49
PHYSICAL	36946194	3.09

(xii) **Shareholding Pattern as on 31st March 2011**

S.No.	Particulars	No of Shares held (equity shares of Re.1/- each)	% to Paid up Share Capital
1	Promoters Group	30875400	2.58%
2	Non-Promoters Group		
	Bodies Corporate	187376193	15.67%
	Individuals	899409066	75.20%
	NRI's	36654641	3.06%
3	Shares held by custodians and against which Depository Receipts have been issued	41784700	3.49%
	TOTAL	1196100000	100.00%

(xiii) **Plant Locations**

The company being in the Service Sector is not having any manufacturing or processing plants.

(xiv) **Address for Correspondence**

Sanraa Media Limited
NO.33/6, II FLOOR
B R COMPLEX
C P RAMASAMY ROAD
ALWARPET CHENNAI 18

(xv) **Exclusive Email for Investors' Complaints:**

redressal@sanraamedia.com

(xvi) **Transfer of Unclaimed amounts to Investor Education and Protection Fund:**

Pursuant to Section 205 C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they become due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2006-2007	28 th September, 2007	24 th October 2014
2007-2008	30 th September 2008	10 th October 2015

The Shareholders are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the company before the due dates for crediting the same to the IEPF.

During the year under review no amount was credited to the Credit of Investor Education and Protection Fund pursuant to Section 205 C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of investors) Rules, 2001.

11. Request to Investors

- Investors are requested to communicate change of address, if any, either to the share transfer agent at the address given above or to the Company at its registered office address
- The shareholders are requested to dematerialize their physical share certificates, through a depository participants.
- The amended provisions of the Companies Act, 1956 provide for Nomination facility to Members. Members are requested to write to the RTA for more information, if any needed on Nomination facility and/or to get a copy of a Nomination Form.
- Members holding shares in demat form are requested to incorporate the DP Id number and Client Id Number in the Attendance Slip/Proxy form for easy identification of attendance at the Meeting.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of section 205C of the Companies Act, 1956.

B. Non-Mandatory Requirements

The status of Compliance with Non-mandatory Requirement is as follows:

a. The Board

The Chairman of the Company is an Executive Director. The company does maintain an office for him at the company's expense and allowed reimbursement of expenses incurred in performance of his duties.

b. Remuneration Committee

The Company has a Board Governance Committee which also functions as the Remuneration Committee. The details of the said committee are given in the Annual Report.

c. Shareholders Rights

The Quarterly and Half yearly declaration of the Financial Results are posted on the website of the company and are also sent to the Stock exchanges, where the shares of the company are listed.

d. Audit Qualifications

The Company's financial statements are unqualified. The qualifications made by the Auditors with regard to impairment of Assets, Sundry Debtors, Investments and the Statutory Dues have been duly noted and will be suitably addressed and provisions made during the current year in consultation with the Management and the Board members.



e. Training of Board Members

New Directors, on induction to the Board, are familiarized with the company's corporate profile, the corporate governance Code, Code of Conduct of Directors and Senior Management, Insider Trading Code and the company's policy for Unfair Trade Practices in Securities.

f. Evaluation of the Performance of the Non-Executive Directors

The Board evaluates the performance of the Non-Executive Directors every year.

g. Whistle Blower Policy

The Company has laid down Whistle Blower Policy, and the details of the said policy are given in the Annual Report.

Place: Chennai
Date: 30th May 2011

for and on behalf of the Board
G Sundaresan

Chairman



Declaration by Chairman

I, G.Sundaresan, Chairman of Sanraa Media Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31 March 2011 compliance with the code of conduct of the company laid down for them.

Place: Chennai.
Date: 30th May 2011

G.Sundaresan

Chairman

Certificate by Chairman

We, G.Sundaresan and Sukumar Subramanian, Chairman & Executive Directors of the Company respectively hereby certify

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2011 and that to the best of our knowledge and belief,
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That 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 volatile of the company's code of conduct.
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of:
 - Significant changes in internal control during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Sanraa Media Ltd.,

(G.Sundaresan)
Chairman

(Sukumar Subramanian)
Executive Director

AUDITOR'S REPORT

To

The Shareholders of **Sanraa Media Limited**

We have audited the attached Balance Sheet of **Sanraa Media Limited** as at 31st March 2011 and Profit and Loss Account 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.

We have 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant 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.

- I. As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003) issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

- (v) On the basis written representation received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that the directors are not disqualified from being appointed as director under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (vi) Without qualifying the report, we note that the overseas investments and the export receivables are not evaluated for their impairment.
- (vii) In our opinion and to the best of my information and according to the explanations given to us, the said accounts 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 subject to:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - 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 of the Company for the year ended on that date.

As per our Report of Even Date attached
For R.RAVINDRAN & ASSOCIATES
Chartered Accountants
Firm Registration No: 003222S

Chennai, 30th May, 2011

R.RAVINDRAN
Proprietor
Membership No: 23829

THE ANNEXURE REFERRED TO IN PARA 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF SANRAA MEDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2011.

1. Fixed Assets:

- a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its business. No material discrepancy was noticed on such verification.
- c) The Company has not disposed off substantial part of its fixed assets during the year.

2. Inventory:

- a) The Company does not carry inventory, hence verification and valuation of inventory does not arise.

3. Loans granted/ taken by the company:

- a) The Company has granted unsecured loans during the year to Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.
- b) The Company has taken loans from companies, listed in the register maintained under Section 301 of the Companies Act, 1956.

4. Internal Control over purchase of inventory and fixed assets and for sale of goods:

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 fixed assets and purchase and sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5. Transactions with parties listed under section 301 of the companies act, 1956:

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the purchase or sale or services or contracts aggregating to Rs. 5,00,000 or more were not made during the year with any party in respect of whom registers are maintained under section 301 of the companies act, 1956.

6. Deposits from the Public:

The Company has not accepted deposits in violation of the provisions of Section 58A of the Companies Act, 1956.

7. Internal Audit System:

The company does not have an internal audit system with regard to the size and nature of the business.

8. Cost Records:

The Provision of Section 209(1) (d) of the companies Act, 1956 regarding maintenance of Cost Records is not applicable to the company.

9. Statutory Dues:

According to the information and explanations given to us, the company is not regular in depositing undisputed statutory dues includes PF, ESI, Service Tax, Professional Tax and Income Tax and to the Registrar of Companies.

10. Absence of accumulated losses:

The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. Default in financial dues:

The company has defaulted in repayment of dues on term loan

Name of the Bank / Institution	Defaulted Period	Defaulted Amount
Canara Bank	2 Months	Rs.19,02,800/-

12. Granting of Loans on the security of shares:

The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) is not applicable.

13. Chit Funds, Nidhi, Mutual Benefit Funds, Societies:

The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

14. Dealing/ trading of shares and other instruments:

The Company has not dealt in trading in shares.

15. Guarantees for Loans:

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.

16. End use of term loans:

The loan funds were applied for the purpose for which they were raised.

17. Application of short term funds:

According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the company has applied long term funds for long term uses.

18. Preferential Allotment:

The Company has not made preferential allotment of shares to parties and companies covered under the register maintained u/s 301 of the companies act, 1956.

19. Debenture Issued:

The company has not issued any debenture during the period covered by our audit. Accordingly clause 4(xix) of the order is not applicable.

20. End Use of Public Issues:

During the financial year the company did not raise any money by public issue.

21. Frauds:

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

As per our Report of Even Date attached
For R.RAVINDRAN & ASSOCIATES
Chartered Accountants
Firm Registration No: 003222S

Chennai, 30th May, 2011

R.RAVINDRAN
Proprietor
Membership No: 23829

SANRAA MEDIA LIMITED

New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Balance Sheet as at March 31, 2011

SOURCE OF FUNDS	Schedule	31-Mar-11 Rs.	31-Mar-10 Rs.
Shareholders' Funds			
Share Capital	1	1 19 61 00 000	1 19 61 00 000
Reserves & Surplus	2	17 12 15 546	16 35 68 209
		<u>1 36 73 15 546</u>	<u>1 35 96 68 209</u>
Loan Funds			
Secured Loans	3	23 43 59 573	12 95 50 847
Unsecured Loans	4	1 22 89 881	4 72 638
		<u>24 66 49 454</u>	<u>13 00 23 485</u>
Deferred Tax Liability		63 94 712	18 30 933
		<u>1 62 03 59 708</u>	<u>1 49 15 22 627</u>
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		66 78 98 935	21 61 27 609
Less: Depreciation		23 70 51 111	10 65 04 835
Net Block		<u>43 08 47 824</u>	<u>10 96 22 774</u>
Capital work in Progress			35 11 42 710
		<u>43 08 47 824</u>	<u>46 07 65 484</u>
Investments	6	65 97 00 064	65 97 00 064
Current Assets, Loans and Advances			
Sundry Debtors	7	57 70 05 074	38 14 07 344
Cash & Bank Balances	8	6 68 330	9 33 318
Loans Advances	9	10 94 43 438	11 32 49 312
		<u>68 71 16 842</u>	<u>49 55 89 974</u>
Less : Current Liabilities & Provisions			
Current Liabilities	10	10 13 88 149	8 88 15 771
Provisions	11	5 84 16 873	4 01 69 223
		<u>15 98 05 022</u>	<u>12 89 84 994</u>
Net current Assets		52 73 11 820	36 66 04 980
Miscellaneous Expenditure (to the extent not written off)	12	25 00 000	44 52 099
		<u>1 62 03 59 708</u>	<u>1 49 15 22 627</u>

Notes on Accounts

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As per our Report of Even Date attached
For R Ravindran & Associates
Chartered Accountants
Firm Registration No: 003222S

For the Board of Directors

G Sundaresan
Director

Sukumar Subramaniam
Director

R Ravindran
Proprietor
Membership No 23829
Chennai, 30.05.2011

SANRAA MEDIA LIMITED

New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Profit and Loss Account for the year ended March 31, 2011

	Schedule	31-Mar-11 Rs.	31-Mar-10 Rs.
Income			
Sales and Service	13	70 11 79 243	66 65 80 370
Other Income	14	4 35 716	1 06 58 001
		70 16 14 959	67 72 38 370
Expenditure			
Purchase	15	12 23 57 356	
Personnel Cost		10 81 25 957	10 44 27 863
Administrative and Other Expenses	16	5 93 92 174	6 79 85 858
Content acquisition expenses		22 11 81 161	34 49 66 172
Selling and Business Promotion Expenses	17	72 55 381	1 45 57 331
Finance Charges	18	3 70 34 334	1 39 45 182
Depreciation		13 05 46 276	3 95 89 289
		68 58 92 639	58 54 71 695
Profit Before tax		1 57 22 319	9 17 66 675
Provision for Taxation			
Current Tax		35 11 206	1 21 54 102
Deffered Tax		45 63 777	- 8 42 554
Profit After tax		76 47 336	8 04 55 127
Profits from Previous Year		16 35 68 210	8 85 63 084
Profit Available for Appropriation		17 12 15 546	16 90 18 210
Appropriations			
Bonus issue			54 50 000
Balance Carried over to Balance Sheet		17 12 15 546	16 35 68 210
		17 12 15 546	16 90 18 210
Earning Per Share (Basic & Diluted)		0.01	0.07

Notes on Accounts 19 As per our Report of Even Date attached
For R Ravindran & Associates
Chartered Accountants
Firm Registration No: 003222S

G Sundaresan
Director

Sukumar Subramaniam
Director

R Ravindran
Proprietor
Membership No 23829
Chennai, 30.05.2011

SANRAA MEDIA LIMITED

Registered office: New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Schedules forming part of the Accounts

		31-Mar-11 (Rs.)	31-Mar-10 (Rs.)
Schedule 1	Share Capital		
	<u>Authorised Share Capital</u>		
	125,00,00,000 Equity Shares of Rs. 1/- each	125 00 00 000	125 00 00 000
	<u>Issued , Subscribed and Paidup Capital</u>		
	1,19,61,00,000 Equity Shares of Rs. 1/- each	1 19 61 00 000	1 19 61 00 000
		1 19 61 00 000	1 19 61 00 000
Schedule 2	Reserves & Surplus		
	Profit and Loss Account	17 12 15 546	16 35 68 210
		17 12 15 546	16 35 68 210
Schedule 3	Secured Loans		
	Bank OD A/C (Secured on receivables)	15 36 21 070	12 00 69 448
	Hire Purchase - Automobiles (Secured on hypethecation of Automobiles)	98 27 552	43 80 494
	Hire Purchase - Equipments (Secured on hypethecation of Equipments)	7 09 10 951	51 00 905
		23 43 59 573	12 95 50 847
Schedule 4	Unsecured Loans		
	Corporate loans	4 09 881	4 72 638
	Others	1 18 80 000	
		1 22 89 881	4 72 638
Schedule 6	Investments		
	Unquoted Shares at Cost		
	a) 43260 equity share of USD 100 each @ USD 200 in Meet Virtual Inc., (US)	34 60 80 000	34 60 80 000
	b) 31312 equity share of USD 100 each @ USD 200 in R First Inc., (US)	31 31 20 000	31 31 20 000
	c) 50000 equity share each of rs 100/- @ Sanraa Global Green Energy Limited	5 00 000	5 00 000
	d) 1 equity share of Sing \$ 1 each @ G4 Infocomm Pte Ltd	64	64
		65 97 00 064	65 97 00 064

SANRAA MEDIA LIMITED

Registered office: New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Schedules forming part of the Accounts

		31-Mar-11	31-Mar-10
		(Rs.)	(Rs.)
Schedule 7	Sundry Debtors		
	Unsecured considered good at for which the Company holds no security other than Debtor's personal security		
	Debts due for more than six months	37 73 35 074	5 58 08 324
	Other Debts	19 96 70 000	32 55 99 020
		57 70 05 074	38 14 07 344
Schedule 8	Cash and Bank Balances		
	Cash in Hand	15 070	52 560
	Bank balance with Scheduled Banks in Current Accounts	6 53 261	8 80 757
		6 68 330	9 33 318
Schedule 9	Loans, Advances & Deposits		
	(Unsecured, Considered good)		
	Deposits with Government Authorities	2 43 808	2 43 808
	Other Deposits	2 54 250	2 54 250
	Rental deposits	69 22 400	63 60 670
	Advances Recoverable in Cash / Kind	10 20 22 980	10 63 90 584
	Prepaid Taxes		-
	Prepaid Expenses		
		10 94 43 438	11 32 49 312
Schedule 10	Current Liabilities		
	Sundry Creditors		
	- Creditors for Capital Goods	16 29 248	18 02 672
	- Creditors for Expenses	5 89 16 955	3 05 35 173
	- Creditors for Others	1 93 31 980	3 85 22 532
	- Advance for Projects	54 85 511	69 85 511
	Other liabilities		
	Statutory Dues	1 60 24 456	1 09 69 884
		10 13 88 149	8 88 15 771
Schedule 11	Provisions		
	Provision for Taxation	2 79 90 105	2 44 78 899
	Provision for Expenses	3 04 26 768	1 56 90 324
		5 84 16 873	4 01 69 223

SANRAA MEDIA LIMITED

Registered office: New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Schedules forming part of the Accounts

		31-Mar-11	31-Mar-10
		(Rs.)	(Rs.)
Schedule 12	Miscellaneous Expenditure		
	(to the extent not written off or adjusted)		
	Software Development Expenses		19 52 099
	Preliminary Expenses - Fee for capital increase	25 00 000	25 00 000
		25 00 000	44 52 099
Schedule 13	Sales / service		
	Export Sales	67 80 03 917	64 15 25 370
	Others	2 31 75 326	2 50 55 000
		70 11 79 243	66 65 80 370
Schedule 14	Other Income		
	Scrap Sales		
	Interest on bank deposits	2 06 946	
	Provision written back		3 67 288
	Foreign currency fluctuation income	1 72 418	1 46 677
	Others	56 352	1 01 44 036
	Franchise Fee		
		4 35 716	1 06 58 001

SANRAA MEDIA LIMITED

Registered office: New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Schedules forming part of the Accounts

		31-Mar-11 (Rs.)	31-Mar-10 (Rs.)
Schedule 15	Purchase		
	Trading Materials	12 23 57 356	
		12 23 57 356	
Schedule 16	Adminstrative and Other Expenses		
	Rent, Rates & Taxes	2 63 05 719	1 52 92 612
	Communication Expenses	18 89 735	19 26 897
	Travelling & Conveyance	31 28 203	52 08 838
	Deferred Revenue Expenses Write Off	19 52 099	19 52 098
	Printing Stationary	5 49 968	7 25 530
	Electricity Charges	67 18 847	58 32 103
	Repairs & Maintenance	75 15 395	38 07 041
	Staff Welfare Expenses	17 62 226	31 79 575
	Audit Fee	2 00 000	4 00 000
	Legal Expenses	1 34 350	3 68 125
	Professional and Consultancy Charges	41 91 733	1 03 93 785
	Baddebts wirtten off		1 20 129
	Registrations & Renewals	1 15 492	2 64 227
	Security charges	8 42 721	5 92 518
	Other Administrative expenses	40 85 686	1 79 22 380
		5 93 92 174	6 79 85 858
Schedule 17	Selling and Business Promotion Expenses		
	Advertisement and Publicity	23 49 709	13 08 462
	Business Promotion Expenses	30 96 386	94 97 566
	Commission on Sales and Services	1 12 342	
	Travelling and Conveyance Expenses	16 96 944	37 51 303
		72 55 381	1 45 57 331
Schedule 18	Finance Charges		
	Interest on loans	3 64 45 241	1 38 59 218
	Processing Fees (Bank Charges)	3 39 364	85 964
	L C Interest and handling Charges	2 49 729	
		3 70 34 334	1 39 45 182

SANRA MEDIA LIMITED

New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

Schedule 5 FIXED ASSETS

Assets	Gross Block			Depreciation / amortisation			Net Block		
Description of the Asset	At Cost as on 1-Apr-10	Additions during the period	Deletions during the period	Cost as on 31-Mar-11	Accumulated Depreciation 1-Apr-10	Depriciation Amortisation for the year	Accumulated Depn upto 31-Mar-11	as at 31-Mar-10	as at 31-Mar-11
<u>Assets subject to Depreciation</u>									
1. Plant & Machinery	77 06 632	3 32 500		80 39 132	49 68 622	4 19 637	53 88 259	27 38 010	26 50 873
2. Office Equipments	22 34 201	18 00 850		40 35 051	11 00 997	4 68 834	15 69 831	11 33 204	24 65 220
3. Computer & Accessory	3 34 19 051	6 78 92 780		10 13 11 831	2 19 75 786	2 72 11 206	4 91 86 992	1 14 43 265	5 21 24 839
4. Furniture & Fixtures	1 70 37 527	14 59 800		1 84 97 327	61 62 495	20 88 866	82 51 361	1 08 75 032	1 02 45 966
5. Vehicles	98 47 843	29 77 620		1 28 25 463	33 92 456	22 89 691	56 82 147	64 55 387	71 43 316
	7 02 45 254	7 44 63 550		14 47 08 804	3 76 00 356	3 24 78 234	7 00 78 590	3 26 44 898	7 46 30 214
<u>Assets subject to Amortisation</u>									
5. Goodwill	36 98 405			36 98 405	29 58 724	7 39 681	36 98 405	7 39 681	
6. Software	10 21 83 950	2 61 65 066		12 83 49 016	5 79 45 755	1 90 99 819	7 70 45 574	4 42 38 195	5 13 03 442
7. IPR's - Film Right	4 00 00 000			4 00 00 000	80 00 000	80 00 000	1 60 00 000	3 20 00 000	2 40 00 000
8. E-learning Tutorial Content		35 11 42 710		35 11 42 710		7 02 28 542	7 02 28 542		28 09 14 168
	14 58 82 355	37 73 07 776		52 31 90 131	6 89 04 479	9 80 68 042	16 69 72 521	7 69 77 876	35 62 17 610
	21 61 27 609	45 17 71 326		66 78 98 935	10 65 04 835	13 05 46 276	23 70 51 111	10 96 22 774	43 08 47 824
Previous Year	19 76 63 848	1 86 17 290	1 53 529	21 61 27 609	6 69 15 546	3 95 89 289	10 65 04 835	13 07 48 302	10 96 22 774

SANRAA MEDIA LIMITED

New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

SCHEDULE – 19

NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The Financial statements have been prepared on the historical cost convention on going concern basis, in accordance with Generally Accepted Accounting Principles, the relevant provisions of the Companies Act, 1956 complying in all materials respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

The company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

1.2 Use of Estimates

The preparation of the financial statement in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported year. Examples of such estimate include estimated useful life of fixed assets. Actual results could differ from those estimates.

1.3 Fixed Assets

Fixed assets are stated at historical cost after reducing accumulated depreciation until the date of the Balance Sheet. Direct costs are capitalised until the assets are ready for use and include financing costs relating to borrowing attributable to acquisition.

Software (asset) represents the capitalised cost of expenditures such as rent, salaries, power, relevant overheads and test marketing expenses incurred in the earlier years towards the development of softwares.

Goodwill represents the difference between the purchase price and the book value of assets and liabilities acquired.

IPR represent the cost of acquisition of film distribution rights.

1.4 Depreciation

Depreciation is recognised only in respect of Fixed Assets put to use.

Individual assets acquired for less than Rs 5000/- are entirely depreciated in the year of acquisition.

Depreciation on other Fixed Assets have been provided on written down value on a pro rata monthly basis at the rates specified in Schedule XIV of the companies Act, 1956.

Intangible assets such as software and goodwill are amortised in accordance with Accounting Standard 26 prescribed by ICAI on a straight line basis. The intangible assets are estimated by the company to be of five years of lifetime.

1.5 Revenue recognition

Animation development service revenue is recognized on proportionate completion method on the total value of the contracts.

Revenue from animation academy is recognized proportionate to the period of instruction. Revenue from e-learning is recognized upon delivery of services.

Income from Media trading activity is recognized upon execution of agreements for sale and purchase.

1.6 Foreign currency transactions

Foreign Currency transaction arises on account of export of software services.

The transactions on export of services are recorded as per the rates prevailing on the date of Invoices raised for such services on the overseas clients.

Exchange differences arising upon collection from such transactions are charged or credited to the profit and loss account.

1.7 Retirement Benefits

The contribution payable by the company to Provident Fund is charged to revenue.

The liability for Gratuity to employees as at the Balance Sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The liability thereof paid/payable is absorbed in the accounts. The actuarial gains/losses are recognized in the Profit and Loss Account.

1.8 Miscellaneous expenditure

The company has accumulated in the earlier years Research and Development expenses on software as miscellaneous expenditure (Assets).

The company has written off such expenditure on straight line method, in proportion to the period of its utility estimated by the management.

1.9 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the income tax act, 1961.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the Balance sheet date.

Deferred tax assets are recognized only if there is a virtual certainty that there will be realized and reviewed for the appropriateness of their carrying values at each Balance sheet date.

1.10 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation.

at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent Liability is disclosed for possible obligation which will be confirmed only by future events not wholly within the control of the company (or) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount of obligation cannot be made.

Contingent asset not recognized in the financial statements since this may result in the recognition of income that may never be realized.

1.11 Interim Financial Reporting

The company has adopted in the preparation of interim financial statements, the accounting policies, consistent with those of the annual financial statements.

SANRAA MEDIA LIMITED

New No 33/6, B.R.Complex,ii Floor, C.P.Ramaswamy Road,Alwarpet,Chennai-600 018

2. NOTES TO ACCOUNTS

2.1 Accounting Period

The period of accounts under review is from April 1, 2010 to March 31, 2011 for Sanraa Media Limited.

2.2 Software Technology Parks Scheme

The company has setup at Chennai, a hundred percent export oriented unit under the Software Technology Park Scheme (STPI). Another unit was set up at Perungudi during June 2009. The company has availed tax exemption on such scheme in accordance with the provision of the income tax Act, 1961.

2.3 Secured Loans

Bank Overdrafts are secured on the receivables as well as on the assets of a Company in which our directors are interested.

2.4 Receivables

Periodically the company evaluates all the customer dues to the company for collectibles and in the opinion of the management the dues are recoverable.

2.5 Leased Assets

The company has entered into operating lease arrangements for office and production premises, subject to the mutual agreement between the lessor and lessee under cancelable operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee.

Lease rentals are recognised as expenses on accrual basis in the profit and loss account.

2.6 Earning per share

Basic earnings (loss) per share are calculated as enumerated in Accounting Standard 20 on Earnings per Share, paragraph 5, by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares

outstanding as on the Balance Sheet date. In the absence of debts instruments or share warrants or other options the potential equity shares are nil and hence diluted EPS does not arise.

Particulars	2010-11 Rs.	2009-10 Rs.
Net Profit for the year (Rs.)	76,75,060	8, 04, 55, 127
Weighted Average Number of Equity Shares Outstanding during the year	119 ,61 ,00 ,000	119 ,61 ,00 ,000
Basic Earnings per Share on (Rs.) weighted Av	0.01	0.07
Face value per share (Rupees)	1.00	1.00

2.7 Deferred Tax Liability

Particulars	2010-11 Rs.	2009-10 Rs.
Depreciation as per Companies Act	3,24,78,234	1,10,49,475
Depreciation as per Income Tax Act	4,72,47,741	85,03,227
Timing Difference	1,47,69,507	(25,46,248)
Deferred Tax Liability	45,63,777	(8,42,554)

2.8 Managerial Remuneration

Permissible Managerial Remuneration	2010-11 Rs.	2009-10 Rs.
Profit before tax	1,57,22,319	9, 17, 66,675
Add Directors' Remuneration	36,00,000	43,35,562
Profits for the purpose of Managerial remuneration	1,93,22,319	9,61,02,237
Managerial Remuneration entitlement (10% of profits)	19,32,232	96,10,224

Remuneration Paid to Managerial Personal	2010-11 Rs.	2009-10 Rs.
Mr Venkatramani (Chairman Non Executive)	-	9,00,000
Mrs. Uma Karthikeyan (Whole Time Director)	12,00,000	18,30,245
Mr. Sukumar Subramanian (Executive Director)	12,00,000	16,05,317
Mr. G.Sundaresan (Chairman, Executive)	12,00,000	-
Total Managerial Remuneration paid	36,00,000	43,35,562

The managerial remuneration exceeds the available profits.

2.9 Remuneration to Statutory Auditors

Particulars	2010-11 Rs.	2009-10 Rs.
Statutory Audit fee	1,25,000	1,25,000
Tax Audit	50,000	50,000
Certification	25,000	25,000
Service tax	20,600	20,720

2.10 Foreign Exchange Inflow and Outflow

Earnings / Outflow	2010-11 Rs. In'000	2009-10 Rs. In'000
Foreign Exchange Inflow	77,536	93,214
Foreign Currency outflow	309	2,257

2.11 Quantitative Particulars

Company is engaged in the development of application software. The production and sales of such software cannot be expressed in any generic unit. Hence it is not possible to give quantitative details of sales and certain information as required under paragraph 3, 4C, and 4D of Part II or Schedule VI of the Companies Act, 1956.

The company did not carry inventory at the year end.

2.12 Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

a) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprises as a whole and are not allocable to segments on a reasonable basis, have been included under unallowable corporate expenses.

b) Investments, advance towards investments and other advances, which are not allocable to segments, are excluded from segment capital employed.

Rs. In Lakhs

Segment	Capital Employed	Turnover	Profit
Entertainment & Electronic Media	9,236.43	5,103.63	448.78
E-Learning	5,122.00	1,908.16	79.20

2.13 Related Party Disclosure

As per the Accounting Standards on Related Party Disclosures: (AS18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

Related Party	Company	Relationship with reporting enterprises
G Sundaresan	Sanraa Global Green Energy Limited	Director
Sukumar Subramanian	Pixaalaya Studios Private Limited	Director
G.Sundaresan	The South Indian Concerns Limited	Director

2.14 Managerial assertions

No amount is due to Small Scale Ancillary Industrial Undertakings.

In the opinion of the Board of Directors, the Current Assets, Loans and Advances shown are of the approximate value, if realized, in the ordinary course of business and adequate provisions are made for all known liabilities.

Debit and Credit balances are subject to confirmation or reconciliation.

Expenditure incurred on employees in receipt of remuneration of not less than Rs. 24 lakhs per annum, were employed throughout the period or not less than Rs. 2,00,000/- per month, were employed for a part of the period is NIL.

2.15 Contingent Liabilities

Income tax Rs.16,67,632/ in appeal before CIT & ITAT.

2.16 Regrouping

Previous year's figures have been re-grouped wherever necessary.

2.17 Cash flow Statement

Cash flow statement is enclosed.

As per our Report of Even Date attached
For R.RAVINDRAN & ASSOCIATES
Chartered Accountants
Firm Registration No: 003222S

Chennai, 30th May 2011

R.RAVINDRAN
Proprietor
Membership No: 23829

For and on behalf of the Board

Sukumar Subramanian
Director

G Sundaresan
Chairman

