



**THE PEOPLE'S CHANNEL**

**19<sup>th</sup>  
ANNUAL REPORT  
2012 - 2013**

**RAJ TELEVISION NETWORK LTD.**

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### Forward-looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

## **CORPORATE DETAILS**

### **Board of Directors:**

Sri. M. Raajhendhran : Managing Director.  
Sri. M. Rajarathinam : Director - Finance  
Sri. M. Ravindran : Director- Operations.  
Sri. M. Raghunathan : Director-Marketing.  
Sri. D. R. Kaarthikeyan : Independent Director.  
Sri. R. Rajagopalan : Independent Director.  
Sri. A. Arjuna Pai : Independent Director.  
Sri. Mohan Kameswaran : Independent Director.

### **Company Secretary & Compliance Officer**

Sri. Joseph Cheriyan : (ACS)

### **Audit Committee:**

Sri. A. Arjuna Pai (Chairman)  
Sri. R. Rajagopalan  
Sri. Rajarathinam

### **Remuneration Committee:**

Sri. R. Rajagopalan (Chairman)  
Sri. D. R. Kaarthikeyan  
Sri. A. Arjuna Pai

### **Shareholders & Investors**

#### **Grievance Committee:**

Sri. D. R. Kaarthikeyan (Chairman)  
Sri. M. Raajhendhran,  
Sri. M. Ravindran

#### **Auditors:**

M/s. Pratapkaran Paul & Co, (Statutory Auditor)  
Chartered Accountants,

Mrs. Subhashini, S. (Cost Auditor)  
Cost Accountant

#### **Legal Advisor:**

HSB Partners

#### **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 : administrator@rajtvnet.in  
Website: www.rajtvnet.in, www.rajtv.tv

### **Regional Offices:**

#### **Delhi:**

1416, Ansal Towers , 14th Floor,  
38, Nehru Place , New Delhi -110 019  
Phone : 011-32961356, Fax : 011-41606865

#### **Hyderabad:**

No. 28, Road No.8, Film Nagar, Jubilee Hills,  
Hyderabad - 500 033, Phone : 040-23556821  
Fax : 040-23556205

#### **Mumbai :**

No.105, Swapna Co-op. HSG Society  
1st Flr, S.K. Bhole Marg, Dadar West,  
Mumbai - 400 028.  
Phone : +91-022-24214200/01/03,  
Fax : +91-022-24214205

#### **Bangalore**

Raj TV Banglore,  
# 16/1, K.K.M.P. Millers Tank Bund Road,  
Vasanth Nagar, Bangalore 560 052.  
Phone : 080-22343123

#### **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. 044-28460129  
Email : cameosys@cameoindia.com

#### **Stock Exchange(s) & Stock Code(s)**

National Stock Exchange of  
India Limited (Raj TV)  
BSE LIMITED (532826)

#### **BANKERS :**

Canara Bank  
State Bank Of India  
Indian Bank  
ICICI Bank Limited

**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 on the occasion of the 19<sup>th</sup> Annual General meeting of our company.

The year 2012-13 was challenging for the global economy, as well as the entertainment industry. Though a challenging year globally, we have successfully managed in consolidating our position. Our performance in FY 2013 assumes more significance when evaluated against the backdrop of a challenging global and domestic business environment. Your Company in spite of current turmoil in the industry was able to post a performance better than the previous year. It is with a sense of pride that I enumerate some of the significant developments of our Company in the last fiscal.

During the year under review, we focused on achieving the expansion of our channel base in the regional market –Karnataka. The Channel 'Raj Music Kannada' our 24x7 Kannada Music channel launched in the previous financial year 2012-13. With this confidence and brand reach, we launched the Channel 'Raj News Karnataka' 24x7 Kannada News Channel during the current year 2013-14. Your Company has planned to increase our offering in Telugu Language with a mass appeal and also, geared up to re-launch three Telugu Channels covering different Genres.

Your company during the previous year has been evaluating various new mediums of Content Distribution, In the process your company have tied up with the World's largest internet Content platform -Google Ireland Limited for content sharing in Google Platforms with various Mobile, Internet based & hand held devices and also started promoting the content through [www.youtube.com /RajTV](http://www.youtube.com/RajTV).

During the current year your company launched exclusive website for distribution of contents via 'rajtv.tv' and your company makes efforts to provide wide mix of programmes in e-platforms and your company is confident that it will augment a substantial revenue addition in the years to come. Your company is building a sustainable digital business model with strong cross platform presence on all devices and screens and leveraging the opportunity due to the digitisation drive, we will be launching various products in the near future to fully exploit the opportunities available in the marketplace.

Your Company is looking forward to 2014 being a very exciting year in terms of growth of India's Television industry, riding on the digitization wave. From mere aspiration, digitization is now going to become a reality over the next few quarters. I strongly believe that, with the digitization drive and consolidation in the cable industry, the ability to control the market share in terms of quality, technology and service will rest with few dozen players. The Digitization efforts have translated into enhanced subscription revenues for your company and less distribution cost. Your company will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation. With consolidation of Cable scenario in Tamilnadu, the reach of the channel has improved substantially and your company is confident enough to fully exploit the opportunities and more revenue addition to the channel.

Your Company has good potential for revenue generation by exploring the hidden assets –movie rights by way of digitization and remake of old master piece movies and dubbing of the movies in to various languages. Your Company has ventured into the remaking of old master piece movie 'KARNAN' during the year 2012-13 and in terms of viewership and revenue, it has given a positive result and during the current year company proposes to release few movies in digital 3D platforms.

I thank our Board of Directors for their support and exemplary guidance. I also take this opportunity to express my gratitude to all our stakeholders, who continue to repose faith and trust in us over the years. Further with my whole heart I sincerely thank all the shareholders who continued their support over these years, without which our company would have not grown to this size.

Warm Regards

(Raajhendhran M.)

**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 **Nineteenth Annual General Meeting** of the Members of M/s. Raj Television Network Limited will be held on Monday, September 30, 2013, 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, approve and adopt the Audited Balance Sheet as at 31st March 2013, Profit and Loss Account and the Cash Flow Statement for the year ended on that date and Reports of Auditors and Directors thereon.
2. To declare dividend on the equity shares of the company. The Directors recommend 10% Dividend (Rupees One per Equity Share of Rs 10 each) on the equity shares of the Company.
3. To appoint a Director in place of Sri. R. Rajagopalan , who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri M. Ravindran , who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint M/s. Pratapkaran Paul & Co., Chartered Accountants, Chennai – 600 020, , having Firm Registration No. 002777S as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

The register of Members and Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September 2013 to 30<sup>th</sup> September, 2013 (both the days inclusive). Share Transfers received in order at the Registered Office of the Company or at the office of the Registrar of the Company, by 5.30 p.m. on September 23, 2013, will be processed for payment of equity dividend, if declared, to the transferees or their mandates.

Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid on October 10, 2013, to all those shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before September 23, 2013 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business day on September 23, 2013.

**Regd. Office:**  
32, Poes Road,  
Second St, Teynampet,

Chennai-600 018  
Date: 31<sup>st</sup> July 2013

By Order of the Board of Directors

Joseph Cheriyan  
Company Secretary & Compliance Officer

**NOTES TO NOTICE CALLING THE ANNUAL GENERAL MEETING:**

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. 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.
2. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in the Annual Report of the Company.
3. Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their Annual Report to the meeting.
4. 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.
5. Any query related to the accounts may be sent at the Registered Office of the Company at least 10 days before the date of the Meeting.
6. SEBI, with intent to promote the use of electronic payment system, has directed all the listed companies, vide its circular no. CIR/MRD/DP/10/2013 dated March 21, 2013, to obtain the bank details of all its investors for enabling fund transfer, if any, through ECS, NEFT, RTGS etc. Accordingly in compliance of the aforesaid SEBI circular, you are requested to update with your DP your bank details viz. Bank Account no., MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment and also provide the same either to the Company or its RTA, Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai-600002, Phone No.044-28460390-94, FaxNo.28460129, Email:Cameosys@cameoindia.in.
7. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company proposes to send the Annual Report and other documents /notices to shareholders to the email address provided to the Depository. Shareholders are requested to register and/or update their email address with the respective Depository Participant or with the Company, to ensure that documents from the Company reach their preferred email address.
8. 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 - 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,  
Second St, Teynampet,  
Chennai-600 018  
Date: 31<sup>st</sup> July 2013

By Order of the Board of Directors  
  
Joseph Cheriyan  
Company Secretary & Compliance Officer

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 19<sup>TH</sup> ANNUAL GENERAL MEETING**

**1. Sri. 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. Sri. M. Ravindran**

A graduate in Commerce from the University of Madurai, he oversee 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. He has been conferred a Doctorate in Mass Communication by the University of California for his thesis on "Broadcast & Communication"

**DIRECTORS' REPORT**

Dear Members

Your Directors take pleasure in presenting the 19<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

**FINANCIAL RESULTS:**

The Financial Performance of your Company for the year ended March 31, 2013 is summarized below:

Particulars	For the year ended (Rs. in Lacs)	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
<b>Total Income</b>	6827.13	5474.35
Total Expenses	5861.45	4488.64
<b>Operating Profit (EBIDTA)</b>	1720.59	1502.78
Profit after Depreciation and financial charge	965.68	985.71
<b>Profit Before tax</b>	965.68	985.71
Provision for Taxation (net)	37.06	64.40
<b>Profit after Tax</b>	<b>928.62</b>	<b>921.31</b>
Add: Balance brought forward	<b>2396.26</b>	<b>1717.92</b>
Amount available for appropriations	<b>3324.88</b>	<b>2639.23</b>
Appropriations:		
Dividend	129.78	129.78
Tax on Dividend	21.05	21.05
General Reserve	92.86	92.13
Balance carried forward	<b>3081.18</b>	<b>2396.26</b>

**OPERATIONS REVIEW:**

The Company achieved revenue of Rs. 6827.13 Lakhs as against Rs. 5474.35 lakhs in the previous year. Net profit after tax stood at Rs. 928.62 lakhs as compared to Net Profit after tax of Rs. 921.31 Lakhs in the previous year.

**DIVIDEND:**

In view of the better performance made in the current year, the Board of Directors recommend 10%, dividend, i.e. Re. 1 per equity Share of Rupees Ten each, on the equity shares of the company for the year ended March 31, 2013 and such Dividend shall be payable subject to approval of the Members of the Company. The outflow on account of Dividend, and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to Rs. 150.83 lacs, resulting in a payout of 16.24% of the Net Profit of the Company on a standalone basis.

**SHARE CAPITAL:**

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

**BUSINESS OUTLOOK:**

Indian television industry has witnessed the introduction of the much awaited cable digitization in 2012. Despite initial obstacles, Phase I of digitisation in the four metros has been rolled out smoothly

resulting in the much needed transparency in the industry. Currently, the Phase II of digitisation is being implemented in 38 more cities across the country. These efforts have translated into enhanced subscription revenues for broadcasters and make them less dependent on advertising and drive higher value creation. Broadcasters will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation. Niche and specialist channels will now be able to launch and grow since the shortage of bandwidth created by analogue cable systems no longer hold true. With the process of digitalization made compulsory at Metro cities and the Industry watchers believe that the same shall be made compulsory to all major cities gradually which shall happen around 3 or 4 years, in this backdrop the company believes that the customers shall become tech savy and our production standards need to be changed to optimize the maximum utility of the digitalization initiated by the Government.

The company had already initiated various developments especially in the web based platforms such as google, internet, Android and Apple kind mobile applications, and the company started its own Website for exploring the new avenues of content distribution as 'rajtv.tv', and this move will help in terms to view and achieve the existing programmers of the company.

**Future Projects:**

The main objective of the Company's business plan is to reach each and every household across the World. The digital drive led by the exponential growth of DTH has been an outstanding feature over the last few years. With the focus shifting towards addressable infrastructure there will be a speeding up of digitization in India going forward. 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. During the year under review, Company focused on achieving the expansion of our channel base in new regional markets with the success of 'RAJ MUSIC KANNADA' your 24x7 Kannada Music channel launched in the previous year, with this confidence and brand reach, we plan to increase our offering in Kannada with a 24x7 -Kannada News Channel and a Movie Channel with a mass appeal and also, geared up to re-launch three Telugu Channels covering different Genres during the financial year 2013-14. The company expects good potential for revenue generation in the coming years, by exploring the hidden assets-movie rights by way of digitization in various languages & dubbing. The company already started digitisation of the movie libraries and reproduction of old master piece movies in Digital Platforms/3D and as already announced by the company, the company is started to remake the old master piece Movie titled *VEERA PANDIYA KATTABOMMAN* in digital 3D format, out of our movie collection.

The company is very confident that the project of digitalization of old Tamil masterpiece movies, will argument good business and company received good response from the first movie release 'KARNAN' in terms of viewer ship and revenue.

Further the company wants to consolidate its position in the Southern Regional TV Channel markets and the company felt that the Andhra Pradesh Market is having good potential in terms of viewer ship and revenue and the company had identified M/s Vissa Television Network Limited, Chennai which had one decade presence in Telugu TV Channel Market and had created its niche market share in the region of Andhra Pradesh, to merge/amalgamate the said company with our company and the board of directors are working on the modalities of the same.

## **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 requirements 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.

### **Corporate Social Responsibility**

Your Company has at a unified and centralised level, put in place a Corporate Social Responsibility (CSR) policy which is based on a belief that a Business cannot succeed in a society that fails and therefore it is imperative for business houses, to invest in the future by taking part in Social building activities. During the year your Company mission is to bring qualitative changes to the lives of the under privileged and deserving people of Tamil Nadu. As a part of the ongoing effort, Raj Television Network conducts the event titled 'Mudhalvan' Awards every year to encourage academic excellence. In pursuance of its commitment, Raj TV is conducting the 'Mudhalvan' Awards for the 15th year in succession with 'Mudhalvan' Awards 2013.

For the second consecutive year, Your Company honoured six women achievers for excelling in their respective fields on March 7. Women achievers from different fields such as medicine, education, fine arts and others were honoured.

In association with your Company The First Company Secretaries Benevolent Fund (CSBF) Musical Nite was organized by the ICSI-SIRC on Sunday the 11th November 2012 at Kamarajar Arangam, Chennai. This programme was organized and the proceeds of this program were used as donation to the Company Secretaries Benevolent Corpus Fund.

### **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, Sri. M Ravindran & Sri. R. Rajagopalan 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 Pratakaran 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.

Pursuant to the Cost Audit Order as notified by the Ministry of Corporate Affairs (Cost Audit Branch) vide circular dated May 2, 2011 read with Cost Accounting Records (Telecommunication Industry) Rules 2011 as notified by the Ministry of Corporate Affairs (MCA) vide GSR 869(E) dated December 7, 2011, the Company has appointed, Mrs Subhashini, Practicing Cost Accountant as the Cost Auditor of the Company for the financial year 2012-13 for conducting the audit of the Cost Records of the Company.

**Conservation of energy, technology absorption and Foreign exchange earnings and outgo**

Your Company is into the business of Broadcasting of General Entertainment Television Channels. Since this business does not involve any manufacturing activity, most of the 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, are not applicable.

Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

**Technology Absorption**

In its endeavor to deliver the best to its viewers and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

**Foreign Exchange Earnings and Outgo**

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

Earnings in Foreign Exchange for the year ended 31-3-2013 Rs. 36,873,116. (Previous year Rs. 25,491,590) and Expenditure in Foreign Exchange for the year ended 31-3-2013 Rs. 94,533,434. (Previous year Rs. 49,012,154)

**PARTICULARS OF EMPLOYEES**

Your Company had 313 employees as of March 31, 2013 as against 291 employees as of March 31, 2012 and your company provided additional employment opportunity to 22 people and empowered the human resource assets during the year. The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended requires your company to disclose the particulars of employees who are in receipt of remuneration of Rs. 60 lakhs or more per annum and those who were in receipt of remuneration of Rs. 5 lakhs or mores per month. However, during the financial year under review, company does not come under the purview of the above said compliance.

**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.

**Shares in Suspense 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. The voting rights on the shares outstanding in the suspense account as on March 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

**RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, in relation to the Annual Financial Statements for the Financial Year 2012-2013, your Directors confirm the following:

- a) The Financial Statements comprising of the Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss for the year ended on that date have been prepared in the revised format of Schedule VI of Companies Act, 1956 on a going concern and on the accrual basis and in the preparation of these Financial Statements, applicable accounting standards have been followed and there are no material departures;
- b) Accounting policies selected were applied consistently and the judgements and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date; and
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- d) Directors had prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS**

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company all levels that has contributed to your Company's success and remain in the forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges and Depositories and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors and service providers.

For and on behalf of the Board of Directors

Raajhendhran M  
Managing Director & CEO

M Rajartahinam,  
Director

Place: Chennai  
Date: July 31st , 2013

## Annexure 1: MANAGEMENT'S DISCUSSION AND ANALYSIS

### Industry review

#### MEDIA AND ENTERTAINMENT INDUSTRY

As per the latest FICCI - KPMG Report, Indian Media & Entertainment industry has emerged unscathed by the dismal economic scenario. Indian television sector grew by over 12% in 2012 and is now worth more than 370 billion. It is further projected to increase to ` 848 billion with a CAGR of 18% by 2017. C&S homes are projected to grow to 173 million covering 91% of the total TV households. This points to exciting times for the television industry. Indian television industry has witnessed the introduction of the much awaited cable digitisation in 2012. Despite initial obstacles, Phase I of digitisation in the four metros has been rolled out smoothly resulting in the much needed transparency in the industry. Currently, the Phase II of digitisation is being implemented in 38 more cities across the country. These efforts have translated into enhanced subscription revenues for broadcasters and make them less dependent on advertising and drive higher value creation. Broadcasters will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation. Niche and specialist channels will now be able to launch and grow since the shortage of bandwidth created by analogue cable systems no longer hold true.

#### Company Overview & Business Profile

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. The Company gets its revenue primarily from advertisement and subscription of channels. The Company has also rolled into movie production and distribution business. Raj television network limited channel portfolio, across various genres in the Indian market, includes:

Tamil Language - Raj TV, Raj Digital Plus , Raj Musix , Raj News , Raj Asia ,

Telugu Language- Raj Musix , Raj News , VISSA ,

Malayalm Language - Raj Musix, Raj News,

Kannada language - Kannada Music & Kannada News

Hindi Language - Raj Pariwar.

Further the company proposed to launch One Kids Channel and one Comedy channel in Tamil language and one Movie Channel in Kannada language subject to approvals from Government.

#### Opportunities:

The subscription revenue of the Company are expected to grow because of availability of various distribution platforms like cable, DAS, CAS, DTH, IPTV, VOD etc. Further, the introduction of the much awaited cable digitisation will be resulting in the much needed transparency in the industry and this efforts have translated into enhanced subscription revenues for broadcasters and make them less dependent on advertising and drive higher value creation. Broadcasters will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation.

#### 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 Internet - Google and You tube, 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 "Broadcasting" segment.

**Company Financials:**

The Company achieved revenue of Rs. 6827.13 Lakhs as against Rs. 5474.35 lakhs in the previous year. Net profit after tax stood at Rs. 928.62 lakhs as compared to Net Profit after tax of Rs. 921.31 Lakhs in the previous year.

**Earnings Per Share (EPS):**

Earning per share during the year ended 31.03.2013 is Rs.7.16 as against Rs. 7.10 in the corresponding previous year 31.03.2012.

**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 was 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 in spite of competition.

**Internal Control:**

The Company has a defined management reporting system and periodic reviews of its 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.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13  
(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. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. 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. Sri. M. Raajhendhran, 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, 2013 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			
Sri. Raajhendhran M.	MD	4	4	Yes	1	Nil
Sri. M. Rajaratnam	WTD	4	4	Yes	1	Nil
Sri. M. Ravindran	WTD	4	4	Yes	1	Nil
Sri. M. Ragunathan	WTD	4	4	Yes	1	Nil
Sri. D. R. Kaarthikeyan	NEID	4	3	Yes	13	Nil
Sri. A. Arjun Pai	NEID	4	4	Yes	Nil	Nil
Sri. R. Rajagopalan	NEID	4	4	Yes	Nil	Nil
Sri. Mohan Kameswaran	NEID	4	2	Yes	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 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, 2012, July 30, 2012, October 29, 2012 and January 30, 2013. 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. Sri. 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
Sri. A. Arjuna Pai	Chairman- Independent & Non Executive Director	4	4
Sri. R. Rajagopalan	Member- Independent & Non Executive Director	4	4
Sri. M. Rajarathinam	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. on April 30, 2012 July 30, 2012, October 29, 2012 and January 30, 2013. 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.

### 4. REMUNERATION COMMITTEE:

The Remuneration Committee of the Company is formed of all Non-Executive Independent Directors and comprises of Sri. R. Rajagopalan, as Chairman, Sri. A. Arjuna Pai and Sri 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 July 30, 2012. Statutory Auditor of the Company attended the meeting as invitee of the Committee. The Company Secretary is the Secretary of the Committee. Considering the performance made during the financial year 2011-12, the remuneration of the managerial personnel was revised during the Financial year 2012-13 to the tune of 12% as yearly increment, which was approved in the AGM held on 30<sup>th</sup> September 2011.

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

Name and Designation	Period	Salary and Perquisites (Amount in Rs.)
Sri. M. Raajhendhran, Managing Director	01-04-2012 to 31-03-2013	36,40,000/-per annum
Sri. M. Rajaratnam, Director	01-04-2012 to 31-03-2013	36,40,000/-per annum
Sri. M. Ravindran, Director	01-04-2012 to 31-03-2013	36,40,000/-per annum
Sri. M. Raghunathan, Director	01-04-2012 to 31-03-2013	36,40,000/-per annum

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 Sri. D. R. Kaarthikeyan, Non Executive Independent Director as Chairman, Sri. Raajhendhran M., Managing Director and Sri. 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 July 30, 2012. All committee members attended the meeting. The Company has reviewed the report from M/s. Cameo Corporate Services Limited, Chennai, the Registrar and Share transfer Agent for the and observed that no complaints or grievances reported from share holders. The Company has exclusively designated the following email id for the investor relations: [redressal@rajtvnet.in](mailto:redressal@rajtvnet.in).

#### **6. WHISTLE BLOWER POLICY**

The Board of Directors of the Company approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event, which is against the interest of the Company and/or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.

#### **7. AUDIT QUALIFICATION**

Company is in the regime of unqualified financial statements.

#### **8. 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.

**9. 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) Regulation, 2012 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.

**10. GENERAL BODY MEETING:**

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
2009-2010	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 20,2010	10.00 A.M.
2010-2011	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 30,2011	10.00 A.M.
2011-2012	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	July 30,2012	10.00 A.M.

ii) Whether any special resolution passed at previous 3 AGMs: YES

**11. 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. No personnel have been denied access to the Audit Committee of the Company.

**12. 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.

**13. 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.

**14. GENERAL SHAREHOLDER INFORMATION**

1. Date, time and Venue of Annual General Meeting : 30<sup>th</sup> September 2013, 10.00 AM  
Bharatiya Vidya Bhavan,  
18-22, East Mada Street,  
Mylapore, Chennai-600 004
2. Financial year : 2012-2013
3. Date of Book Closure : 24.09.2013 to 30.09.2013  
(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— RAJTV EQ
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: 044-28460129  
Email: [cameosys@cameoindia.com](mailto:cameosys@cameoindia.com)
9. Compliance Officer : Mr. Joseph Cheriyan, 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.

**15. Share Holding Pattern: Distribution of Share holding as on 31<sup>st</sup> March 2013.**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	Amount
1 - 5000	10733	97.3779	683408	6834080	5.2657
5001 - 10000	133	1.2066	104156	1041560	0.8025
10001 - 20000	50	0.4536	75093	750930	0.5786
20001 - 30000	24	0.2177	59120	591200	0.4555
30001 - 40000	5	0.0453	18200	182000	0.1402
40001 - 50000	5	0.0453	23170	231700	0.1785
50001 - 100000	23	0.2086	173323	1733230	1.3354
100001 - And Above	49	0.4445	11841866	118418660	91.2433
<b>Total :</b>	<b>11022</b>	<b>100</b>	<b>12978336</b>	<b>129783360</b>	<b>100</b>

**16. Share Holding Pattern - CATEGORY BREAKUP-as on (T-NSDL & CDSL & PHYSICAL Account)**

Physical Date : (31-Mar-2013) and Benf Date : (31-Mar-2013)

Sl.No.	CATEGORY	No. of Holders	Total Shares	% of Equity
1	Resident	10686	2684149	20.6817
2	FI	1	13320	0.1026
3	NRI	48	37412	0.2882
4	Corporate Body	242	987337	7.6075
5	Clearing Member	27	40164	0.3094
6	Trusts	1	1	0
7	Bank	2	7020	0.054
8	Promoters	4	3543272	27.3014
9	Directors/relatives	4	5663808	43.6404
10	Employees	7	1853	0.0142
	<b>TOTAL</b>	<b>11022</b>	<b>12978336</b>	<b>100</b>

**17. Particulars of Shareholding A-Promoter Shareholding as on March 31, 2013**  
Promoters

As on (NSDL & CSL & PHYSICAL) Account Physical				
SLNO	FOLIO / DPID	Name of Holders	Shares	Percentage
1	IN301080 22677883	Rajarathnam M	1465952	11.30
2	IN301080 22678093	M Raajhendhran	1465952	11.30
3	IN301080 22678108	M Ravindran	1265952	9.75
4	IN301080 22679037	Raghunathan M	1465952	11.30
5	IN301080 22678077	R Vijayalakshmi	885817	6.83
6	IN301080 22678085	Aruna R	885817	6.83
7	IN301080 22678116	Amudha R	885821	6.83
8	IN301080 22681576	Usha Rani R	885817	6.83
	<b>Total</b>		<b>9207080</b>	<b>70.94</b>

**B. Top ten (10) Public Shareholding as on March 31, 2013**

S.NO	DPID/CLID	NAME OF THE HOLDER	SHARES	PERCENTAGE
1	12039000	KIRAN KUMAR. M	300000	2.312
2	12023000	HEMA KIRAN KUMAR	202000	1.556
3	IN301637	SHANMUGASUNDARAM SUBRAMANIAN	197300	1.520
4	12023000	M KIRAN KUMAR	186173	1.434
5	12039000	SUNITHA DEVI CHORDIA	144545	1.114
6	12039000	LALIT KUMAR CHORDIA & SONS(HUF)	105818	0.815
7	12036000	J RAGHAVAN	105054	0.809
8	12039000	NARESH KUMAR CHHAJER HUF	100724	0.776
9	12039000	DHANROOP BETALA & SONS	95341	0.735
10	12010600	SANGEETHA	93961	0.724
		<b>TOTAL</b>	<b>1530916</b>	<b>11.795</b>

**18. STOCK MARKET DATA RELATING TO SHARE LISTED IN INDIA**

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange and National Stock Exchange for financial year 2012-2013 are.

Month	B S E			N S E		
	High Price (Rs.)	Low (Price) Rs.	Volume of Share Traded	High Price (Rs.)	Low (Price) Rs.	Volume of Share Traded
Apr-12	195.71	141.20	1303331	198.30	136.05	858158
May-12	187.02	157.05	789144	178.90	150.05	529404
Jun-12	211.00	166.00	1556363	213.40	166.20	1143696
Jul-12	216.00	180.00	978961	224.90	165.00	746539
Aug-12	215.00	173.25	1520799	214.80	167.45	939223
Sep-12	287.10	205.10	1156779	257.35	206.10	615682
Oct-12	254.90	216.05	1450796	255.00	209.60	1177180
Nov-12	240.09	137.00	1947538	241.95	135.25	909969
Dec-12	195.80	159.10	721140	195.20	156.00	328038
Jan-13	237.80	193.90	2023912	237.00	192.25	993549
Feb-13	235.00	188.00	1313948	235.00	187.25	822601
Mar-13	195.00	157.00	805660	196.95	155.55	702022

\* Monthly basis

**19. 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 31.03.2013, 12978235 numbers of shares representing 99.99% of the total shares of the Company are in dematerialized form and 101 shares are held in physical form. 100% of the promoter's holdings are held in dematerialized form, in compliance to SEBI guidelines.

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% OF HOLDINGS
PHYSICAL	10	101	0.000778
NSDL	7647	10585438	81.562366
CDSL	3365	2392797	18.436855
<b>TOTAL SHARES</b>	<b>11022</b>	<b>12978336</b>	<b>100</b>

**20. During the year the Company has not issued any securities.**

**21. Addressee 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 : administrator@rajtvnet.in  
 Website: www.rajtvnet.in and www.rajtv.tv

**22. Dividend**

The Board of Directors have recommended payment of dividend @ Re.1/- per equity share on paid up value of Re.10 per equity share i.e. 10% on the paid up capital of the Company and such Dividend shall be payable upon approval by the Members of the Company on the outstanding at the Book Closure.

Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before 23rd September 2013 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on September 23, 2013.

**23. Voting Rights**

All the shares of the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of 'One Vote'. If majority of members raise their hands in favor of particular resolution, it is taken as passed, unless a poll is demanded.

**24. Shares in Suspense 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. The voting rights on the shares outstanding in the suspense account as on March 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

Place : Chennai

Date : 31.07.2013

On behalf of the Board

Raajhendhran M

Chairman

**SECRETARY RESPONSIBILITY STATEMENT**

The Company Secretary & Compliance Officer confirms that the Company has:

- i) maintained all the books of account and statutory registers required under the Companies Act, 1956 ("the Act") and the rules made there under;
- ii) filed all the forms and returns and furnished all the necessary particulars to the registrar of companies and/or authorities as required by the Act;
- iii) issued all notices required to be given for convening of board meetings and the general meeting, within the time limit, if any, prescribed by law;
- iv) conducted the board meetings and annual general meeting as per the Act;
- v) complied with all the requirements relating to the minutes of the proceedings of the meetings of the directors and the shareholders;
- vi) made due disclosures required under the act including those required in pursuance of the disclosures made by the directors;
- vii) obtained all the necessary approvals of directors, shareholders, the central government and other authorities as per the requirements;
- viii) effected share transfers and dispatched the certificates within the statutory time limit;
- ix) paid dividend amounts to the shareholders and transferred unpaid amounts, if applicable, to the general revenue account of the central government or the Investor Education and Protection Fund within the time limit prescribed;
- x) complied with the applicable requirements of the listing agreement entered into with the stock exchanges in India.

The Company has also complied with other statutory requirements under the Companies Act, 1956 and other related statutes in force.

Place: Chennai  
Dated: 31.07.2013JOSEPH CHERIYAN  
Company secretary & Compliance officer.

**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, 2013, 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 : 31.07.2013

For Raj Television Network Limited  
Raajhendhran M  
Chairman

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION FOR THE YEAR 2012-13**

To,  
The Board of Directors  
Raj Television Network Ltd

In relation to the audited accounts of the Company as at 31st March, 2013 we hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2012-2013 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 that
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai  
Date: 31.07.2013

For Raj Television Network Ltd  
Raajhendhran M.                      M. Rajarathinam  
Managing Director                      Whole Time Director

**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, 2013 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.

31.07.2013  
Chennai

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

**INDEPENDENT AUDITORS' REPORT****To the Members of Raj Television Network Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Raj Television Network Limited ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Pratapkaran Paul,  
Partner.

Membership No:023810.

Place : Chennai

Date : 27<sup>th</sup> May 2013

**Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of Auditors' Report to the Members of RAJ TELEVISION NETWORK LIMITED on the accounts for the year ended 31st March 2013.**

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. Accordingly, sub clauses (f) and (g) of clause 4(iii) of the companies (Auditor's Report) Order, 2003(as amended ) are not applicable.
- 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 Services. In our opinion, there is no continuing failure to correct major weakness in internal control systems.
- 5) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Act that need to be entered in to the register maintained under section 301 have been so entered.  
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) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- 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.  
c) According to the information and explanation given to us, there are 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 not incurred any cash losses in the current financial year and 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) As explained to us, the company is trading in shares, proper records have been maintained for the transactions and contracts and timely entries have been made therein; also the shares have been held by the company in its own name.
- 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) The company has not raised any money by public issues during the year.
- 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.

Place : Chennai  
Date : 27<sup>th</sup> May 2013

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

**RAJ TELEVISION NETWORK LIMITED**  
**No. 32, Poes Road, Second Street, Teynampet, Chennai - 600 018**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2013**

A Equity and Liabilities	Sch No.	As at year end 31.03.2013 (in Rs.)	As at year end 31.03.2012 (in Rs.)
<b>1 Shareholder' Funds</b>			
(a) Share Capital	3	129,783,360	129,783,360
(b) Reserves and surplus	4	894,957,513	817,179,213
(c) Money Received against Share Warrants		-	-
		<u>1,024,740,873</u>	<u>946,962,573</u>
<b>2 Share Application money pending allotment</b>	-	-	-
<b>3 Non Current Liabilities</b>			
(a) Long Term Borrowings	5	89,285,223	81,659,022
(b) Deferred tax Liabilities (Net)	6	61,784,745	58,078,348
(c) Other Long Term liabilities	7	37,263,996	35,925,288
		<u>188,333,964</u>	<u>175,662,658</u>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	8	70,925,902	76,879,390
(b) Trade Payables	9	34,839,300	20,752,369
(c) Short Term Provisions	10	24,073,700	22,779,604
(d) Other Short Term liabilities	11	48,861,297	15,744,845
		<u>178,700,199</u>	<u>136,156,208</u>
<b>TOTAL - EQUITY AND LAIBILITIES</b>		<u>1,391,775,035</u>	<u>1,258,781,439</u>
<b>B ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Fixed Assets	12	641,813,041	526,830,387
(b) Non Current Investments	13	11,016,380	13,112,272
(c) Deferred Tax assets ( Net)		-	-
(d) Long term Loans and Advances	14	188,895,262	186,099,005
(e) Other Non-Current Assets	15	15,514,199	2,978,498
		<u>857,238,882</u>	<u>729,020,162</u>
<b>2 Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	16	20,215,450	60,665,450
(c) Trade Receivables	17	427,985,899	373,804,069
(d) Cash and Cash Equivalentents	18	86,334,805	93,520,631
(e) Short term Loans and advances	19	-	1,771,127
(f) Other Current Assets		-	-
		<u>534,536,154</u>	<u>529,761,277</u>
<b>Total</b>		<u>1,391,775,035</u>	<u>1,258,781,439</u>
<b>Notes Forming Part of the Financial Statements</b>	1-25		

As per our report of even date

For Pratapkaran Paul & Co.,  
Chartered Accountants.,  
Firm Registration Number: 002777S  
Pratapkaran Paul - Partner.  
M. No. 023810  
Chennai  
27th May 2013

For and on behalf of the Board of directors

Raajhendhran.M  
Managing Director
M.Rajaratnam  
Director
Joseph Cheriyan  
Company Secretary

**RAJ TELEVISION NETWORK LIMITED**

**No. 32, Poes Road, Second Street, Teynampet, Chennai - 600 018**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

	Sch No.	For the Year ended 31.03.2013 (in Rs.)	For the Year ended 31.03.2012 (in Rs.)
<b>C. INCOME</b>			
(a) Revenue from Operations	<b>20</b>	675,273,272	540,625,246
(b) Other Income	<b>21</b>	7,440,641	6,810,599
<b>Total Income from Operations</b>		<b>682,713,913</b>	<b>547,435,845</b>
<b>D. EXPENDITURE</b>			
(a) Cost of revenue	<b>22</b>	283,016,549	182,321,418
(b) Employee Benefit Expenses	<b>23</b>	116,750,877	101,197,820
(c) Depreciation and Amortisation Expenses	<b>12</b>	36,771,124	32,949,128
(d) Finance Cost	<b>24</b>	38,719,417	18,756,915
(e) Administrative and other Expenses	<b>25</b>	110,887,179	113,638,909
<b>Total Expenses</b>		<b>586,145,145</b>	<b>448,864,190</b>
<b>Profit/ (Loss) before exceptional and extraordinary items and tax</b>		96,568,768	98,571,655
Exceptional Items		-	-
<b>Profit/ (Loss) before extraordinary items and tax</b>		96,568,768	98,571,655
Extraordinary Expenses		-	-
<b>Profit / (Loss) before tax</b>		<b>96,568,768</b>	<b>98,571,655</b>
- Current Year Tax		19,321,238	8,763,789
- MAT Credit Entitlement		(19,321,238)	(8,763,789)
- Deferred Tax Current Year		3,706,397	6,440,092
- Current tax Expenses relating to previous years		-	-
<b>Profit / (Loss) After tax</b>		<b>92,862,371</b>	<b>92,131,563</b>
Nominal Value of Share (in Rs)		10.00	10.00
Net profit attributable to equity shareholders		92,862,371	92,131,563
Weighted Average Number of Shares Outstanding		12978336	12978336
Basic and diluted EPS before Extra Ordinary item(in Rs)		7.16	7.10
Basic and diluted EPS after Extra Ordinary item(in Rs)		7.16	7.10

Notes Forming Part of the Financial Statements 1-25

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.,

For and on behalf of the Board of directors

Firm Registration Number: 002777S

Pratapkaran Paul  
Partner.

Raajhendhran.M M.Rajaratnam Joseph Cheriyan  
Managing Director Director Company Secretary

M. No. 023810

Chennai

27<sup>th</sup> May 2013

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

	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	Rupees	Rupees
1 Net Profit Before Tax and extra Ordinary Items	96,568,768	98,571,655
Adjustments for:		
2 Loss / (Profit) on sale of asset		23,029
3 Depreciation and amortization	36,771,124	32,949,128
4 Dividend on Long term Investments	(95,000)	(13,450)
5 Loss on sale of Long term Investments	12,895,892	-
6 Interest paid	38,719,417	18,756,915
<b>Operating Profit before working capital Changes</b>	<b>184,860,200</b>	<b>150,287,277</b>
<b>Adjustments for :</b>		
7 Inventories	40,450,000	(165,450)
8 Trade Receivables	(54,181,830)	(44,955,519)
9 Short term Loan and Advances	(15,331,958)	(22,766,548)
10 Long term Loan and Advances	1,771,127	(8,020,461)
11 Other Long term liabilities	1,338,708	5,382,110
12 Trade Payables	14,086,931	(16,223,257)
13 Short term Provisions	1,294,096	14,909,269
14 Other Short Term liabilities	33,116,452	15,744,845
<b>Cash generated from Operation</b>	<b>207,403,725</b>	<b>110,233,190</b>
15 Direct Tax	-	-
<b>Net Cash from Operating Activities</b>	<b>207,403,725</b>	<b>110,233,190</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Assets	-	300,000
1 Purchase of Assets	(151,753,779)	(106,152,804)
2 Acquisition of Shares	(681,055,244)	(2,612,400)
3 Dividend on long term investments	670,255,244	-
4 Loss on sale of long term investments	95,000	13,450
<b>Net cash from Investing Activities</b>	<b>(162,458,779)</b>	<b>(108,451,754)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
1 Borrowal / (Repayment) of long term Borrowings	1,672,713	91,940,324
2 Interest	(38,719,417)	(18,756,915)
3 Dividend & dividend tax paid	(15,084,071)	-
<b>Net cash from Financing Activities</b>	<b>(52,130,775)</b>	<b>73,183,409</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,185,827)</b>	<b>74,964,844</b>
<b>Cash and Cash Equivalent as at the begining of the year</b>	<b>93,520,631</b>	<b>18,555,787</b>
<b>Cash and Cash Equivalent as at the end of the year</b>	<b>86,334,805</b>	<b>93,520,631</b>

Notes:

- The above cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification

For and on behalf of the Board of directors

Raajhendhran.M  
 Managing Director  
 Chennai  
 27th May 2013

M.Rajaratnam  
 Director

Joseph Cheriyan  
 Company Secretary

As per our report of even date  
 For Prapatkaran Paul & Co.,  
 Chartered Accountants.,  
 Firm Registration Number: 002777S  
 Prapatkaran Paul  
 Partner  
 M. No. 023810

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note - 3 Share Capital	As at March 31st 2013		As at March 31st 2012	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
<b>a. Authorised Capital</b> 15000000 Equity Shares of Rs.10 each.	<b>15000000</b>	<b>150,000,000</b>	<b>15000000</b>	<b>150,000,000</b>
<b>b. Issued, Subscribed and fully paid up</b> 12978336 Equity Shares of Rs.10 each.	12978336	129,783,360	12978336	129,783,360
	<b>12978336</b>	<b>129,783,360</b>	<b>12978336</b>	<b>129783360</b>

Refer Notes (i) to (iv) below:

**Notes:**

i) The Company has only one class of equity Share having a par value of Rs.10 per share. Each Share holder is eligible for one Vote Per Share. The Dividend proposed by the Board of Directors is subject of the approval of shareholders.

ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31st 2013		As at March 31st 2012	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
<b>Issued Equity Shares</b>				
Opening Balance	12978336	129,783,360	12978336	129,783,360
Changes During the Year				
i) Fresh Issue	-	-	-	-
ii) Bonus Issue	-	-	-	-
<b>Closing Balances</b>	<b>12978336</b>	<b>129,783,360</b>	<b>12978336</b>	<b>129,783,360</b>

iii) Details of shares held by each shareholder holding more than 5% shares :

Particulars	As at March 31st 2013		As at March 31st 2012	
	No of Shares	% of Shares	No of Shares	% of Shares
M Raajhendhran	1465952	11.30%	1465952	11.30%
M Ravindran	1265952	9.75%	1465952	11.30%
M Raghunathan	1465952	11.30%	1465952	11.30%
M Rajarathinam	1465952	11.30%	1465952	11.30%
R Amudha	885821	6.83%	885821	6.83%
R Aruna	885817	6.83%	885817	6.83%
R Vijayalakshmi	885817	6.83%	885817	6.83%
R Usharani	885817	6.83%	885817	6.83%

(iv) The company has not allotted any Equity Shares by way of bonus shares by capitalisation of free reserves during the period of five years immediately preceding the reporting date.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Amount in Rs.)

<b>Note - 4 : Reserves and Surplus</b>	<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
<b>(i) Securities Premium Account</b>	<b>561,602,418</b>	<b>561,602,418</b>
<b>(ii) Profit and Loss Account</b>		
Balance as per last financial statements	239,626,387	171,792,051
<b>Add</b> : Profit transferred from Profit & Loss Account	92,862,371	92,131,563
	332,488,758	263,923,614
<b>Less: Appropriations</b>		
Proposed Dividend	12,978,336	12,978,336
Tax on Proposed Dividend	2,105,735	2,105,735
Amount transferred to General Reserve	9,286,237	9,213,156
<b>Net surplus in the statement of profit and loss</b>	<b>308,118,450</b>	<b>239,626,387</b>
<b>(iii) General reserve Transferred from the profit &amp; loss A/c</b>		
Balance as per the last financial statements	15,950,408	6,737,252
<b>Add</b> : Amount transferred from Statemnet of Profit & Loss Account	9,286,237	9,213,156
<b>Balance at the end of year</b>	<b>25,236,645</b>	<b>15,950,408</b>
<b>Total Reserves and Surplus</b>	<b>894,957,513</b>	<b>817,179,213</b>
<b>Note - 5 : Long Term Borrowings</b>	<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
Secured Term Loans from bank	84,199,437	74,130,539
Secured Vehicle Loan from bank ( Please refer Note below for security and terms of repayment)	5,085,786	7,528,483
<b>Total</b>	<b>89,285,233</b>	<b>81,659,022</b>
<b>Nature of Security &amp; Terms of Repayment</b>	<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
(i) This term loan from Bank carries interest @ 14.25% p.a. and is repayable in 16 Quarterly installments commencing from May'2012. The term loan is secured primarily by project assests at extimated cost of Rs.1401.76 lakhs, and secured by collateral security of Freehold land situated in New No.26,28,30,32 of Poes Road, IInd street, Teynampet, Chennai 600 018.	53,562,205	85,258,772
(ii) This variable spread Loan against Fixed deposit carries interest 1% p.a. above fixed deposit rate and repayable on demand	67,294,716	-
(iii) This term loan from Bank carries Base Rate + 3.75 % interest and is repayable in 24 monthly installments. The term loan is secured primarily by Hypothecation of machinery proposed to be purchased at a cost of Rs. 7 crores, and EMD of land and building proposed to be purchased at cost of Rs. 11 crores. (Plot no.656/1,no.403/1(old),120(new) of Shaikpet village measuring 683 sq.yards situated at 34 Jubilee Hills, Hyderabad.	7,600,077	-

**RAJ TELEVISION NETWORK LIMITED**


(iv) This Vehicle loan from Bank carries interest @ 10% p.a. and is repayable in 60 monthly installments. The term loan is secured primarily by is secured by Hypothecation of Vehicle.

(v) This Vehicle loan from Bank carries interest @ 12% p.a. and is repayable in 60 monthly installments. The term loan is secured primarily by is secured by Hypothecation of Vehicle.

(vi) This Vehicle loan from Bank carries interest @ 12% p.a. and is repayable in 60 monthly installments. The term loan is secured primarily by is secured by Hypothecation of Vehicle.

**Note - 6 : Deferred Tax Liabilities (Net)**

Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from:

Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

**Total**
**Note - 7 : Other Long Term liabilities**

a) Other Payables

(Other Payables comprises of Interest free deposits from customers and Long term Capital under disputes and litigations)

(b) Provision for gratuity [refer point 8 of note 2)

**Total**
**Note - 8 : Short Term Borrowings**

Secured Working Capital Facility from Bank  
( Please refer note below for security details)

**Total**
**Nature of Security**

The working Capital loan is secured primarily by Hypothecation of Book Debts and collateral securities at:1. Freehold land (undivided share of land: 3650 Sq ft) and building at New No.32 (old No.13B), Poes Road, II Street, Teynampet, Chennai – 18 in the name of Company  
2. Freehold Land (Extent of site : 5170 Sq Ft) and Shed at New No.26 (Old No.15), Poes Road II Street, Teynampet, Chennai – 18 in the name of M/s. Raj Television Network limited.3. L & B admeasuring 3800 Sq ft at Old No.14, New No.28, Poes Road, II Street, Teynampet, Chennai in the name of the company  
4. L & B admeasuring 3950 Sq ft at Old No. 13, New 30, Block No.28, Poes Road, II Street, Teynampet, Chennai in the name of the company, and personal guarantees of whole time directors.

(Amount in Rs.)	
1,164,685	1,554,897
459,692	906,872
8,065,145	9,683,326
<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
58,078,348	51,638,256
3,706,397	6,440,092
<b>61,784,745</b>	<b>58,078,348</b>
<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
30,043,178	33,043,178
7,220,818	2,882,110
<b>37,263,996</b>	<b>35,925,288</b>
<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
70,925,902	76,879,390
<b>70,925,902</b>	<b>76,879,390</b>
<b>As at March 31st 2013</b>	<b>As at March 31st 2012</b>
70,925,902	76,879,390

	(Amount in Rs.)	
	As at March 31st 2013	As at March 31st 2012
<b>Note - 9 : Trade Payables</b>		
(a) Payable towards Purchases (According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. This has been relied upon by the auditors. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given)	33,521,409	20,521,662
(b) Advance received from customers	1,317,891	230,707
<b>Total</b>	<b>34,839,300</b>	<b>20,752,369</b>
<b>Note - 10 : Short Term Provisions</b>		
(a) Salaries, wages and other employee benefits payable	6,999,897	5,853,515
(b) Others		
(i) Proposed final dividend on equity shares	12,978,336	12,978,336
(ii) Tax on dividend	2,105,735	2,105,735
(iii) Statutory Tax Payable	1,989,732	1,842,018
<b>Total</b>	<b>24,073,700</b>	<b>22,779,604</b>
<b>Note - 11 : Other current Liabilities</b>		
(a) Current maturities of long-term debt -		
(i) On Term Loans	44,257,561	11,128,233
(ii) On Vehicle Loan	4,603,736	4,616,612
(See note 5 for the details of security & Terms of Repayment)		
<b>Total</b>	<b>48,861,297</b>	<b>15,744,845</b>

S. No		GROSS BLOCK		DEPRECIATION				NET BLOCK			
		AS ON 1.04.2012	ADDITIONS	DELETION	AS ON 31.03.2013	AS ON 1.04.2012	RATE (%)	FOR THE PERIOD	DELETION	AS ON 31.03.2013	AS ON 31.03.2012
1	LAND	115,533,547	108,225,000	-	223,758,547	-	-	-	-	223,758,547	115,533,547
2	BUILDING	42,686,150	4,749,026	-	47,435,176	1.63%	727,674	-	4,839,729	42,595,447	37,534,056
3	PLANT & MACHINERY	500,162,798	21,360,620	-	521,523,418	4.75%	24,023,830	-	186,673,554	334,849,864	261,982,933
4	COMPUTERS	37,185,347	14,908,100	-	52,093,447	16.21%	6,878,602	-	33,672,618	18,420,829	9,741,044
5	VEHICLES	41,839,455	1,003,326	-	42,842,781	9.50%	3,988,779	-	31,439,924	11,402,857	18,284,913
6	FURNITURE & FIXTURES	17,329,693	1,507,707	-	18,837,400	6.33%	1,152,239	-	8,051,903	10,785,497	10,873,247
	<b>Total</b>	<b>754,736,990</b>	<b>151,753,779</b>	<b>-</b>	<b>906,490,769</b>	<b>-</b>	<b>36,771,124</b>	<b>-</b>	<b>264,677,728</b>	<b>641,813,041</b>	<b>453,949,740</b>

**Note - 12 : Fixed Assets**

(Amount in Rs.)

Note - 13 : Non-Current Investments	As on 01.04.2012		Purchased during the year		Sold during the year		Gain / (Loss)	As on 31.03.2013	
	No. of Shares	In Rs.	No. of Shares	In Rs.	No. of Shares	In Rs.		No. of Shares	In Rs.
<b>Quoted - Long term in equity shares - at cost</b>									
Balrampur Chini Mills Limited Equity shares Rs. 1 each fully paid up	15,000	1,635,000	413,900	23,472,567	428,092	23,324,786	(1,694,709)	808	88,072
GMR Infrastructure Limited Equity shares Rs. 1 each fully paid up	8,000	1,352,000	8,000	167,223	16,000	322,400	(1,192,823)	-	-
Jaiprakash Power Ventures Limited Equity shares Rs. 2 each fully paid up	6,512	487,749	-	-	1,253	41,432	(52,417)	5,259	393,899
Suzlon Energy Limited Equity shares Rs. 2 each fully paid up	22,000	6,436,540	1,035,971	19,935,655	1,057,971	19,544,415	(6,827,780)	-	-
Tata Communications Limited Equity shares Rs. 1 each fully paid up	1,100	588,583	46,100	11,168,924	47,200	11,251,506	(506,001)	-	-
Sun TV Network Limited Equity shares Rs. 1 each fully paid up	100	28,031	-	-	100	42,189	14,158	-	-
Dish TV India Limited Equity shares Rs. 1 each fully paid up	29,087	1,793,319	176,000	11,877,453	205,087	12,144,665	(1,526,106)	-	-
Delta Corp Limited Equity shares Rs. 1 each fully paid up	5,000	402,050	235,121	16,438,330	240,121	16,151,011	(689,369)	-	-
Sterling Holiday Resorts (India) Ltd Equity shares Rs. 10 each fully paid up	2,000	215,660	-	-	2,000	151,340	(64,320)	-	-
Lanco Infratech limited Equity shares Rs. 1 each fully paid up	9,000	173,340	-	-	-	-	-	9,000	173,340
Bombay Dyeing and Manufacturing Company Equity shares Rs. 2 each fully paid up	-	-	107,000	55,459,329	107,000	54,997,891	(461,438)	-	-
HDFC Bank Limited, Equity shares Rs. 2 each fully paid up	-	-	27,000	14,959,612	27,000	15,071,078	111,466	-	-
Jet Airways Limited, Equity shares Rs. 10 each fully paid up	-	-	10,000	3,761,528	10,000	3,361,741	(399,787)	-	-
LIC Housing Finance Limited, Equity shares Rs. 10 each fully paid up	-	-	30,000	8,640,035	30,000	7,940,893	(699,142)	-	-
Power Finance Corporation, Equity shares Rs. 10 each fully paid up	-	-	154,000	27,025,807	154,000	25,798,357	(1,227,450)	-	-

Note - 13 : Non-Current Investments	As on 01.04.2012		Purchased during the year		Sold during the year		Gain / (Loss)	As on 31.03.2013	
	No. of Shares	In Rs.	No. of Shares	In Rs.	No. of Shares	In Rs.		No. of Shares	In Rs.
Raymond Limited, Equity shares Rs. 10 each fully paid up	-	-	5,000	2,079,874	5,000	1,847,696	(232,178)	-	-
SBI Limited, Equity shares Rs. 10 each fully paid up	-	-	202,850	432,866,029	199,450	427,631,023	2,229,810	3,400	7,464,816
Dish TV India Limited Equity shares Rs. 1 each fully paid up	-	-	71,087	4,386,737	71,087	4,474,497	87,760	-	-
Infosys Limited, Equity shares Rs. 5 each fully paid up	-	-	1,000	2,773,832	1,000	2,787,164	13,332	-	-
Maruti Suzuki India Limited, Equity shares Rs. 5 each fully paid up	-	-	4,000	6,358,697	4,000	6,359,012	315	-	-
PTC India Limited, Equity shares Rs. 10 each fully paid up	-	-	50,000	3,446,970	50,000	3,388,845	(58,126)	-	-
Strides Arcolab Limited, Equity shares Rs. 10 each fully paid up	-	-	7,000	6,878,209	6,000	5,905,584	11,639	1,000	984,264
United Spirits Limited, Equity shares Rs. 10 each fully paid up	-	-	14,305	27,061,748	13,305	25,439,005	289,245	1,000	1,911,988
VIP Industries Limited, Equity shares Rs. 2 each fully paid up	-	-	20,000	2,166,629	20,000	2,143,875	(22,754)	-	-
Varun Industries Limited, Equity shares Rs. 10 each fully paid up	-	-	2,000	130,055	2,000	134,840	4,785	-	-
Service Charges									
<b>GRAND TOTAL</b>	<b>97,799</b>	<b>13,112,272</b>	<b>2,620,334</b>	<b>681,055,244</b>	<b>2,697,666</b>	<b>670,255,244</b>	<b>(12,895,892)</b>	<b>20,467</b>	<b>11,016,380</b>
Market Value of Quoted Investments		4,741,703							10,082,128

(Amount in Rs.)

**Note - 14 : Long Term Loans and Advances**

Unsecured and Considered Good

- (a) Capital Advances
- (b) Security Deposits
- (c) Loans and advances to employees
- (d) Advance tax (net of provision for taxation)
- (e) MAT Credit Entitlement
- (f) Loans and advances to related parties
- (g) Others

**Total**
**Note - 15 : Other Non Current Assets**

Prepaid Expenses

**Total**
**Note - 16 : Inventories**

(At lower of cost and net realisable value)

Film Rights

**Total**
**Note - 17 : Trade Receivables**

Unsecured and considered good

- (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment
- (b) Other trade receivables

**Total**
**Note - 18 : Cash and Cash Equivalents**

- (a) Cash in Hand
- (b) Balances with Scheduled Bank in-
  - (i) On Deposit Account
  - (ii) On Current Account

**Total**

Note:

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements.

**Note - 19 : Short Term Loans and Advances**

Unsecured and considered good

- (a) Loans and advances to related parties
- (b) Other loans and advances

**Total**

	As at March 31st 2013	As at March 31st 2012
	102,119,941	93,212,800
	26,112,555	24,537,555
	185,198	1,174,344
	31,300,097	31,401,010
	28,085,027	8,763,789
	-	26,891,439
	1,092,444	118,068
<b>Total</b>	<b>188,895,262</b>	<b>186,099,005</b>
	15,514,199	2,978,498
<b>Total</b>	<b>15,514,199</b>	<b>2,978,498</b>
	20,215,450	60,665,450
<b>Total</b>	<b>20,215,450</b>	<b>60,665,450</b>
	296,293,682	247,694,066
	131,692,217	126,110,003
<b>Total</b>	<b>427,985,899</b>	<b>373,804,069</b>
	47,482	80,797
	90,444,170	94,551,555
	(4,156,847)	(1,111,721)
<b>Total</b>	<b>86,334,805</b>	<b>93,520,631</b>
	<b>86,334,805</b>	<b>93,520,631</b>
	-	-
	-	1,771,127
<b>Total</b>	<b>-</b>	<b>1,771,127</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Amount in Rs.)

<b>Note - 20 : Revenue</b>	<b>For the year ended March 31st 2013</b>	<b>For the year ended March 31st 2012</b>
Income from Broadcasting Operations	717,869,058	573,875,424
Income from Other Operations	36,873,116	25,614,139
Gross Revenue	754,742,174	599,489,563
Less : Service Tax	79,468,902	58,864,317
	<b>675,273,272</b>	<b>540,625,246</b>
<b>Note - 21 : Other Income</b>	<b>March 31st 2013</b>	<b>March 31st 2012</b>
Interest on Bank Deposits	6,725,128	5,433,944
Dividend on Non-current Investments	95,000	13,450
Gain on foreign exchange fluctuation (net)	479,846	613,121
Other Non-Operating Income	140,667	750,084
	<b>7,440,641</b>	<b>6,810,599</b>
<b>Note - 22 : Cost of revenue</b>	<b>March 31st 2013</b>	<b>March 31st 2012</b>
Operation Expenses	283,016,549	182,321,418
	<b>283,016,549</b>	<b>182,321,418</b>
<b>Note - 23 : Employee Benefit Expenses</b>	<b>March 31st 2013</b>	<b>March 31st 2012</b>
Directors Remuneration	14,560,000	13,000,000
Salary and Allowances	89,689,862	79,273,119
Staff Welfare	4,937,133	4,484,076
Contribution to Provident and other funds	2,740,311	2,782,532
Gratuity Expenses ( refer point 8 of note 2 )	4,823,571	1,658,093
	<b>116,750,877</b>	<b>101,197,820</b>
<b>Note - 24 : Financial Expenses</b>	<b>March 31st 2013</b>	<b>March 31st 2012</b>
Interest	36,993,761	17,555,615
Others	1,725,656	1,201,300
	<b>38,719,417</b>	<b>18,756,915</b>
<b>Note - 25 : Administrative and other Expenses</b>	<b>March 31st 2013</b>	<b>March 31st 2012</b>
Advertisement Expenses	1,420,888	6,301,536
Bad Debts written off	926,420	15,293,992
Commission	2,789,200	4,978,550
Electricity Charges	11,776,808	11,706,653
Entertainment	782,909	1,390,272
Insurance	1,045,553	977,888
Internet & Website charges	2,749,761	1,336,641

	(Amount in Rs.)	
Legal and Professional Fees *	3,738,586	7,144,706
Miscellaneous Expenses	4,790,611	3,440,399
Office Maintenance	681,574	418,096
Postage and Courier	1,058,886	670,595
Printing and Stationery	2,261,363	2,647,696
Rent	7,420,269	6,359,504
Rate and Taxes	8,101,518	8,156,444
Repair and Maintenance		
- Building	2,960,963	3,504,724
- Plant and Machinery	2,299,741	1,588,588
- Others	3,643,104	2,276,570
Sales Promotion	9,384,155	7,798,531
Security Charges	219,511	289,547
Sitting Fees	196,000	205,000
Telephone Charges	3,005,675	2,918,377
Traveling and Conveyance	14,351,518	13,277,558
Vehicle Maintenance	12,386,274	10,957,042
Loss on Sale of Non-current Investments ( refer note 13)	12,895,892	-
	<b>110,887,179</b>	<b>113,638,909</b>
* Payments to the auditors comprises (excluding service tax input credit)		
a. Statutory audit fees (including quarterly limited reviews)	200,000	200,000
b. For consultancy, Income tax appearance and other services	550,000	550,000
<b>Total</b>	<b>750,000</b>	<b>750,000</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note - 1 Significant Accounting Policies

#### 1. Accounting Convention

- a) These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the Historical cost convention. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- 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 cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs, if any, relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to 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 or 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. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

#### 7. Retirement Benefits

- a) Retirement benefits in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the

year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

- b) Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

**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 measured using relevant enacted tax rates. Deferred tax Assets arising from timing differences are recognised to the extent there is a reasonable certainty that these would be realised in future.

**10 Earning Per Share**

The Company reports basic and diluted earnings per equity share in accordance with AS-20, 'Earnings Per Share'.

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**11 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".

**12 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**Note - 2 : 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. 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.

**3. Depreciation**

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

**4. Leases**

The company has not taken or leased out any building or asset on operating lease or finance lease.

**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.

**7. Trade Payables**

- a) Trade Payables includes (i)Rs.NIL (Previous Year Rs.Nil ) due to micro and small enterprises registered under the Micro, small and Medium Enterprises Development Act, 2006 (MSME) and Rs.33,521,409 (Previous Year Rs.20,521,662/- due to other parties.
- b) No Interest Paid/Payable during the year to any enterprises registered under the MSME
- c) The above Information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSME.

**8. Employee benefit plans - Gratuity**

The gratuity liability arises on retirement, withdrawal, resignation or death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years of service. The following table set out the funded / unfunded status of the retirement benefits plans and the amount recognised in the financial statements:

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under:

**A Defined Benefit Plans**

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of Gratuity in terms of AS 15 is as under:

I Expenses Recognised during the year	Gratuity non funded (Rs. )	
	As at 2013	As at 2012
1 Current Service Cost	809,771	208,020
2 Interest Cost	372,496	-
3 Actuarial Losses (Gains)	1,510,386	1,658,093
4 Past Service Cost	-	-
Total Expenses	-	-
<b>II Net Asset/(Liability) recognized in the Balance Sheet as at 31<sup>st</sup> March</b>		
1 Present value of Defined obligation	7,101,754	2,882,110
2 Net Assets / (Liability)	7,220,818	2,882,110
<b>III Reconciliation of Assets / (Liability) recognized in the balance sheet as at 31<sup>st</sup> March 2013</b>		
1 Net Asset/ (Liability) at the beginning of the year	4,893,964	2,882,110
2 Expenses as per above	1,182,267	1,658,093
3 Employer contribution	484,863	208,020
4 Net Assets/ (Liability) at the end of the year	7,101,754	2,882,110
<b>IV Actuarial Assumptions</b>		
1 Discount rate	0.08	0.08
2 Expected rate of Salary Increase.	0.07	0.07
3 Mortality	3.00%	3.00%

Notes:

- Amounts recognised as an expense and included in the Note 7 "Provision for Gratuity" are gratuity liability as per valuation and the company deposited Created LIC fund for meeting the Gratuity Obligations.
- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the consulting actuary.

9. Foreign Exchange Transactions

(Amt. in Rs.)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
<b>I. Earnings in Foreign Exchange</b>		
Export of TV Programme	36,873,116	25,491,590
<b>Total</b>	<b>36,873,116</b>	<b>25,491,590</b>
<b>II. Expenditure in Foreign Exchange</b>		
Travelling	1,183,514	593,352
Production Expenses	625,162	799,821
Purchase of assets	9,348,828	36,968,128
Repairs and maintenance	403,291	624,288
Royalty	82,972,639	10,026,565
<b>Total</b>	<b>94,533,434</b>	<b>49,012,154</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 Group Company

- b) **Directors / Key Management Personnel**

Mr.M.Raajhendhran	Managing Director
Mr.M.Ravindran	Executive Director
Mr.M.Rajarathinam	Executive Director
Mr.M.Raghunathan	Executive Director

<b>B. Transactions with Related Parties</b>	<b>As at 31.03.13</b>	<b>As at 31.03.12</b>
a) <b>Remuneration</b> Directors / Key Managerial Personnel	14,560,000	13,000,000
b) <b>Balance as on 31st March</b> <b>Loans and Advances</b> M/s.Vissa Television Network Limited	-	26,891,439

**11. Earnings per share**

Basic earnings per equity share has 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

<b>Particulars</b>	<b>Units</b>	<b>Year ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
a.Net profit after tax before Extraordinary Item	Rs.	92,862,371	92,131,563
b.Net profit after tax after Extraordinary Item	Rs.	92,862,371	92,131,563
c. Weighted average of number of equity shares used in computing basic and diluted Earnings Per Share	No. of shares	12978336	12978336
d. Basic and Diluted EPS before Extra Ordinary Item (a/c)	Rs.	7.16	7.10
e. Basic and Diluted EPS after Extra Ordinary Item (b/c)	Rs.	7.16	7.10

**12. Provision for Deferred Tax Liability**

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

<b>Particulars</b>	<b>Amount (Rs.) Opening</b>	<b>Amount (Rs.) (Credited) Charged/ to P&amp;L</b>	<b>Amount (Rs.) Closing</b>
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return.	58,078,348	3,706,397	61,784,745
<b>Total</b>	<b>58,078,348</b>	<b>3,706,397</b>	<b>61,784,745</b>

**RAJ TELEVISION NETWORK LIMITED****13. Contingent Liability**

(Amt. in Rs.)

Particulars	Year ended 31.03.2013	Period ended 31.03.2012
a) Bank Guarantee given for differential amount of Customs duty in respect of machinery imported under EPCG scheme.	Nil	7,733,300
b) Legal cases against the Company	Unascertainable	Unascertainable

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

As per our report of even date

For and on behalf of the Board of directors

Raajhendhran.M  
Managing Director  
Chennai  
27<sup>th</sup> May 2013M.Rajarathinam  
DirectorJoseph Cheriyan  
Company SecretaryFor Pratapkar Paul & Co.,  
Chartered Accountants.,  
Firm Registration Number: 002777SPratapkar Paul  
Partner  
M. No. 023810



**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 19<sup>TH</sup> ANNUAL GENERAL MEETING of the Company held on Monday, the 30<sup>th</sup> September 2013 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 \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy

to vote for me/us and on my/our behalf at the 19<sup>TH</sup> ANNUAL GENERAL MEETING of the Company to be held on Monday, the 30<sup>th</sup> September 2013 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 \_\_\_\_\_ 2013

Affix  
1Rupee  
revenue  
stamp

**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.



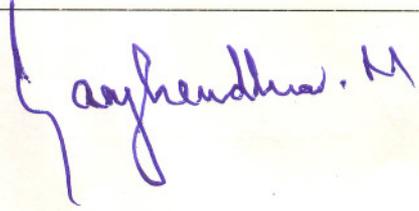
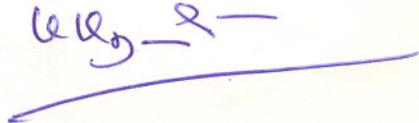
Book-Post  
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If undelivered please return to :  
**Raj Television Network Limited**  
Registered Office: 32, Poes Road, Second Street,  
Teynampet, Chennai-600 018

FORM A

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	NAME OF THE COMPANY	Raj Television Network Limited
2	Annual financial Statement for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	To be signed by:-	
	Raajhendhran M, Managing director & Chief Executive Officer.	
	M. Rajarathinam , Director Finance.	
	Pratapkaran Paul, Partner, Pratapkaran Paul & Co., Chartered Accountants, Chennai – 600 020, Firm Registration No. 002777S, membership no: 023810.	
	A. Arjuna Pai , Independent Director & Chairman- Audit Committee.	

Chennai,  
27<sup>th</sup> May 2013

