



THE PEOPLE'S CHANNEL

**18th
ANNUAL REPORT
2011 - 2012**

RAJ TELEVISION NETWORK LTD.

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CORPORATE DETAILS

Board of Directors:

Mr. M. Raajhendhran : Managing Director.
Mr. M. Rajarathinam : Director - Distribution.
Dr. M. Ravindran : Director- Operation.
Mr. M. Raghunathan : Director-Marketing.
Mr. D. R. Kaarthikeyan : Independent Director.
Dr. R. Rajagopalan : Independent Director.
Mr. A. Arjuna Pai : Independent Director.
Dr. Mohan Kameswaran : Independent Director.

Company Secretary & Compliance Officer

Mr. Joseph Cheriyan : (ACS)

Audit Committee:

Mr. A. Arjuna Pai (Chairman)
Dr. R. Rajagopalan
M. Rajarathinam

Remuneration Committee:

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

Shareholders & Investors Grievance Committee:

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

Statutory Auditor:

M/S Pratapkar Paul & Co,
Chartered Accountants,
63, Kamaraj Avenue, First Street,
Adyar, Chennai-600 020

Legal Advisor:

HSB Partners
Advocates, 554/555, Anna Salai,
Teynampet, Chennai-600 018

Registered Office:

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

Regional Offices:

Delhi:

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

Mumbai :

No.11, Hendre Castle , Gokhle Road (N),
Dadar (W), Mumbai - 400 028

Bangalore

K.K.M.P. Building, Second Floor, No. 16/1,
Miller Tank Nagar, Bangalore- 560052.

Hyderabad:

B-23, Road No.8, Film Nagarjubilee Hills,
Hyderabad - 500 033

Registrar And Share Transfer Agent:

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

Bankers:

Canara Bank

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

Canara Bank

Kodagu Samaja Bldg, I Main Rd, Bangalore
Vasanthnagar, Chennai-600 018

State Bank Of India

Oversea Branch,
86, Rajaji Salai, Chennai-600 001.

Indian Bank,

Thousand Lights Branch,
Kannammal Building,
611, Anna Salai,
Thousand Lights, Chennai-600 006.

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 18th annual general meeting of our company.

The year 2011-12 was challenging for the global economy, as well as the entertainment industry. Against this backdrop, we have had a sterling collective performance that deserves special mention. The outlook on the world economy is looking up as most economies are on the way to recovery while India continues to be the focal point for innovation and investments in the Media & Entertainment sector.

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 for your Company in the last fiscal.

During the year under review, we 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 Telugu with a 24x7 full length Entertainment with a mass appeal and also, geared up to re-launch three Telugu Channels covering different Genres.

With consolidation of Cable scenario in the Tamilnadu, The reach of the channel has improved substantially and Your channel has once again proved that "Content is King" by grossing substantial growth in viewership across all age groups. To sustain the growth in the regional market and to strengthen our presence, we intend to launch two new niche channels in Tamil in the current year.

Your company in the last year has been evaluating various new mediums of Content Distribution, In the process we have tied up with Google in promoting your company's content through www.youtube.com/RajTV. Your company is also evaluating various other delivery platforms such as direct to handheld and various other OTT technologies.

Your Company is looking forward to 2013 as an exciting year in terms of growth of India's Television industry, riding on the digitization wave. From mere aspiration to realization through digitization, 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 only few competent players like your company.

Your Company is also working on strategies in unlocking the value of hidden assets to achieve the higher profitability and also offer value to stake holders. Finally, 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.

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 **Eighteenth Annual General Meeting** of the Company will be held on Monday, July 30, 2012, 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 2012, 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 on the equity shares of the Company.
3. To appoint a Director in place of Shri. D. R. KAARTHIKEYAN, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri M. RAJRATHINAM, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration, if thought fit, by passing with or without modification, the following Resolution as an Ordinary Resolution:

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

The register of Members and Share Transfer Books of the Company shall remain closed from **24th July 2012 to 30th July, 2012 (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 July 23, 2012, will be processed for payment of equity dividend, if declared, to the transferees or their mandatees.

Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid on August 10, 2012, 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 July 23, 2012 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 July 23, 2012.

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

**Chennai-600 018
Date: 30th April 2012**

By Order of the Board of Directors

**Joseph Cheriyan
Company Secretary**

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.
2. Corporate members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
3. 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. 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.
6. Members are hereby requested to send all correspondence concerning transfer, transmission, subdivision, consolidation of shares or any other share related matters and / or any change in the address to the Common Registrar and Share transfer Agent Viz; Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai-600002, Phone No.044-28460390-94, Fax No.28460129, Email:Cameosys@cameoindia.in.

Regd. Office:
32, Poes Road,
Ilnd St, Teynampet,
Chennai-600 018
Date: 30th April 2012

By Order of the Board of Directors

Joseph Cheriyan
Company Secretary

Additional Information on the proposed reappointment of the Directors in terms of Listing Agreement**ITEM NO 3 OF THE NOTICE:- D.R. Kaarthikeyan (none Executive independent Director)**

Mr. D.R. Kaarthikeyan, aged 73 years, retired from Indian Police Service after holding eminent positions like Director CBI and Director General of National Human Rights Commission .He holds a graduation degree in Science (Chemistry and Agriculture) and is also a Bachelor of Law. He began his career as a lawyer before he was selected for appointment in the Indian Police Service and in that capacity has held several positions including Director of Police, Academy, Mysore, Karnataka. He has been awarded the President's Police Medal and the Indian Police Medal for Meritorious Service, Delhi Ratna by the All India Conference of Intellectuals, New Delhi, Humanitarian Award from Internal Yoga International, USA for outstanding achievement in service to Humanity. At present he is the torchbearer on matters related to Law, Human Rights and Corporate Affairs.

ITEM NO 4 OF THE NOTICE:- M. Rajarathinam - Director (Content Acquisition)

Mr. M Rajarathinam, aged 60 years, has a long career in retailing of products. He has been Highly experienced in retailing of products, he has over a period of two decades, built and nurtured an extensive network of domestic & overseas clients through the sales of pre-recorded video cassettes, which are currently also being sold in other forms of media like Compact Disc (CD), Video CD (VCD), Digital Video Disc (DVD). He is actively involved in content acquisition of the channel and distributing the channel in various territories apart from his role at RAJTV.

DIRECTORS' REPORT

Dear Members

Your Directors take pleasure in presenting the 18th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

Financial Results:

The Financial Performance of your Company for the year ended March 31, 2012 is summarized below:

Particulars	For the year ended	
	31 st March 2012	31 st March 2011
Total Income	5474.35	4509.53
Total Expenses	4488.64	5105.72
Operating Profit / (Loss) (EBIDTA)	1502.78	(596.19)
Profit / (Loss) after Depreciation and financial charge	985.71	(996.84)
Prior Period Adjustment	-	5.29
Profit / (Loss) Before tax	985.71	(1002.12)
Provision for Taxation (net)	64.40	(20.77)
Profit / (Loss) after Tax	921.31	(981.35)
Add: Balance brought forward	1717.92	2699.27
Amount available for appropriations	2639.23	1717.92
Appropriations:		
Dividend	129.78	
Tax on Dividend	21.05	
General Reserve	92.13	
Balance carried forward	2396.26	1717.92

Operations Review:

The Company achieved revenue of Rs. 5474.35 Lakhs as against Rs. 4509.53 lakhs in the previous year. Net profit after tax stood at Rs. 921.31 lakhs as compared to Loss after tax of Rs. 981.35 Lakhs in the previous year. The loss in the previous year was on account of low transaction volumes coupled with expenditure of exceptional nature, amounting to Rs.1629 Lakhs.

Dividend:

In view of the better performance made in the current year, the Board of Directors recommends 10% dividend on the equity shares of the company for the year ended March 31, 2012 and such Dividend shall be payable subject to approval of the Members of the Company.

Share Capital:

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

Business Outlook:

Your Company, besides providing high quality and innovative content, continues to build its media assets and in the process continues to create value for the shareholders even in a year that was marked by sharp slowdown in the economy and witnessed quite a few consolidation moves within the industry. 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. The company had already employed suitable high-class technicians, High Tech storage and monitoring equipments with a view to 100% digitalization of vast libraries of the company. The company strongly believes that the efforts taken by the company shall ensure real time accessibility to the content library/archived contents to the wide spread viewers across the globe. The company expects equal kind of revenue share from the digitized environment initiatives at par with the present revenue streams.

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 making it possible for C&S to reach 80% of TV households in India. 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 Telugu with a 24x7 full length Entertainment with a mass appeal and also, geared up to re-launch three Telugu Channels covering different Genres.

Future Projects:

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

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 proposing 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.

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.

Further the company has already entered an agreement with 'Tamilnadu Government Cable Network- 'Arasu Cable' and by the said Agreement, the company ensured 100% connectivity in the distribution segment throughout Tamil Nadu State. The company expects additional subscription revenue from the pay channel segment out of this deal.

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

Corporate Governance:

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

Management's Discussion and Analysis Report:

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

Directors:

In accordance with the Articles of Association of the Company, Shri. D.R Karthikeyan and Shri. Rajarathinam 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 Pratapkaran Paul & Co, Chartered Accountants, Chennai, Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment 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.

DIRECTOR'S RESPONSIBILITY STATEMENT FOR THE YEAR 2011-12

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 2011-2012 your Directors confirm.:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 19576 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

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, 2012 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.

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

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

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

Particulars	(In Rupees)	
	Year 2012	Year 2011
Foreign Exchange Earning	2,54,91,590	23,888,610
Foreign Exchange Outgo	4,90,12,154	56,83,104

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

Your Company had 291 employees as of March 31, 2012 Company provided additional employment opportunity to 58 numbers and empowered the Human resource assets during the year. In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the 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 more per month, are required to be set out in the annexure to the directors' report. However, during the financial year under review, company does not come under the purview of the above said compliance.

Acknowledgements:

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

On behalf of the Board of Directors

Raajhendhran M
Chairman

Dated: 30th April 2012

Regd. Office:

32, Poes Road,
IInd St, Teynampet,
Chennai-600 018

Annexure 1: MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Overview:

MEDIA AND ENTERTAINMENT INDUSTRY

The Indian Media and Entertainment Industry witnessed steady growth in 2011. The industry grew from ' 652 billion in 2010 to ' 728 billion in 2011, registering a growth rate of 11.7%. Television sector grew from ' 297 billion in 2010 to ' 329 billion in 2011, registering a growth of 10.7%. (Source: FICCIKPMG Indian Media and Entertainment Industry Report 2012).

Total advertising revenue growth has seen a much sharper slowdown, with advertising spends across all media accounting for ' 300 billion in 2011, contributing to 41% of the overall M&E industry revenues. Total advertising revenues witnessed a growth of 13% in 2011 against 17% observed in 2010. (Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2012).

Despite the slowdown, Television industry posted high growth due to its high reach & cost-effectiveness. Regionalisation / Localisation drove the reach of media as well revenue, thereby improving the revenue share in the ad pie. Advertisers' also showed a higher preference for Impact properties on leading channels.

FY2013 is expected to be a landmark year for the television media industry. The industry is on the cusp of a big change with the implementation of Digital Addressable System (DAS) starting with the four metros. Implementation of digitisation is expected to significantly improve transparency in the pay-TV ecosystem resulting in more choice to the consumers, better quality of viewing and improved business economics for all players. In FY2012, 10.5 million subscribers have adopted satellite-based television services via DTH, taking the gross DTH subscriber base to 44.6 million strong.

Company Overview:

Raj Television Network Limited (BSE:532826 and NSE: RAJTVEQ) is one of the largest Tamil television and broadcasting Company in southern region. The Company incorporated in 1994, broadcasts twelve channels presently in various southern languages. Raj TV, its flagship television channel launched in 1994 was the first general entertainment channel of the Company. 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- Raj Musix, Raj News, Kannada language - Kannada Music & Hindi Language - Raj Pariwar.

Opportunities:

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

Threats:

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

Outlook:

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

Segment:

The Company operates in "Broadcasting" segment and the company plans to start 'Movie production Segment' in the current year.

Company Financials:

The Company achieved revenue of Rs. 5474.35 Lakhs as against Rs. 4509.53 lakhs in the previous year. Net profit after tax stood at Rs. 921.31 lakhs as compared to Loss after tax of Rs. 981.35 Lakhs in the previous year.

Earnings Per Share (EPS):

Earning per share during the year ended 31.03.2012 is **Rs.7.10** as against **minus 7.56** in the corresponding previous year 31.03.2011.

Human Resource:

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

Risk Analysis and Management:

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

Operational Risk:

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

Financial Risk:

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

Strategic and other Risks:

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

FORWARD LOOKING STATEMENT:

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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2011-12
(In accordance with clause 49 of the listing agreement with Indian Stock Exchanges)

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

1. COMPANY'S PHILOSOPHY:

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

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

2. BOARD OF DIRECTORS:

Board Composition:

Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors to ensure independent functioning. The Board consists of eight Directors including Non- Executive Directors of eminent personalities with expertise in business, finance, taxation, legal and administration. Mr. M. 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, 2012 are given below:

Name of the Director	Category	No. of Board Meetings held during the year		Attendance at the last AGM	No. of Directorship held in other public Comp.	Number of Committee membership held in other Companies
		Held	Attended			
Mr. Raajhendhran M.	MD	4	4	Yes	1	Nil
Mr. M. Rajarathinam	WTD	4	4	Yes	1	Nil
Dr. M. Ravindran	WTD	4	4	Yes	1	Nil
Mr. M. Ragunathan	WTD	4	4	Yes	1	Nil
Mr. D. R. Kaarthikeyan	NEID	4	4	Yes	6	Nil
Mr. A. Arjun Pai	NEID	4	4	Yes	Nil	Nil
Dr. R. Rajagopalan	NEID	4	3	Yes	Nil	Nil
Dr. Mohan Kameswaran	NEID	4	3	No	Nil	Nil

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

BOARD PROCEDURE:

Board Meetings of the Company are duly called and held by giving proper notice. The Company Secretary in consultation with Chairman and other Directors drafts agenda of the Board meetings. All major agenda items along with comprehensive notes on each item in agenda are sent well in advance of the date of the Board meetings to enable the Board to take informed decision. Any Board member may in consultation with the Chairman bring up other additional matter for consideration by the Board. Heads of Departments of Finance and Strategic Planning are normally invited to the Board 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 11th April, 2011, July 29, 2011, October 31, 2011 and January 25, 2012. The maximum gap between two Board Meetings was three months as prescribed under Listing Agreement.

3. AUDIT COMMITTEE:

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

Name of the Director	Status and Category	No. of Meetings	
		Held	Attended
Mr. A. Arjuna Pai	Chairman- Independent & Non Executive Director	4	4
Dr. R. Rajagopalan	Member- Independent & Non Executive Director	4	3
Mr. 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 11th April, 2011, July 29, 2011, October 31, 2011 and January 25, 2012. 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 Dr. R. Rajagopalan, as Chairman, Mr. A. Arjuna Pai and Mr. D. R. Kaarthikeyan as member. The Company Secretary is the Secretary of the Committee. The terms of reference of the Remuneration Committee, inter alia, consist of reviewing the overall remuneration policy, employment agreements and other terms and conditions of Managing Director and Executive Directors.

RAJ TELEVISION NETWORK LIMITED



The remuneration of Executive Directors is decided by the Board of Directors on the recommendation of the Remuneration Committee within the overall ceiling approved by shareholders. During the year, the Committee met once on October 31, 2011. Statutory Auditor of the Company attended the meeting as invitee of the Committee. The Company Secretary is the Secretary of the Committee. Considering the economic slowdown and the remuneration of the managerial personnel was not revised during the year.

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.)
Mr. M. Raajhendhran, Managing Director	01-04-2011 to 31-03-2012	30,00,000/-
Mr. M. Rajarathinam, Director	01-04-2011 to 31-03-2012	30,00,000/-
Mr. M. Ravindran, Director	01-04-2011 to 31-03-2012	30,00,000/-
Mr. M. Raghunathan, Director	01-04-2011 to 31-03-2012	30,00,000/-

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

5. SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders and Investors Grievance Committee of the Board comprising of Mr. D. R. Kaarthikeyan, Non Executive Independent Director as Chairman, Mr. Raajhendhran M., Managing Director and Mr. M. Ravindran, Executive Director as Member. The Company Secretary is the Secretary of the Committee. The role of the Shareholders and Investor Grievance Committee is to ensure efficient transfer of shares and proper and timely attendance of investors' grievances. The Company Secretary is the Compliance Officer of the Company. During the year under review, Share Transfer and Investor Grievance Committee met once on October 31st, 2011. All committee members attended the meeting. The Company has revived 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.

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, 1992 on insider trading. All the Directors and Designated employees of the Company comply with such guidelines. The Company also maintains proper records with requisite particulars as per procedure and guidelines prescribed under the said regulation.

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
2008-2009	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 30, 2009	10.00 A.M.
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.

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.

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 : 30th July 2012, 10.00AM
Bharatiya Vidya Bhavan,
Bharatiya Vidya Bhavan
18-22, East Mada Street,
Mylapore, Chennai-600 004
2. Financial year : 2011-2012
3. Date of Book Closure : 24.07.2012 to 30.07.2012
(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: 28460129
Email: cameosys@cameoindia.com
9. Compliance Officer : Mr. Joseph Cheriyan, Company Secretary,
E-mail : comp_sec@rajtvnet.in
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 31st March 2012.

SLNO	HOLDING	Number	% of Total	Shares	% of Total
1	between 1 and 1000	11137	79.82	4622690	3.56
2	between 1001 and 5000	2444	17.52	5144320	3.96
3	between 5001 and 10000	207	1.48	1585340	1.22
4	between 10001 and 20000	69	0.49	990170	0.76
5	between 20001 and 30000	19	0.14	463100	0.36
6	between 30001 and 40000	14	0.1	500060	0.39
7	between 40001 and 50000	7	0.05	327100	0.25
8	between 50001 and 100000	20	0.14	1427510	1.1
9	> 100000	35	0.25	114723070	88.4
	Total	13952	100	129783360	100

16. Share Holding Pattern - Category Breakup-as on 31-Mar-2012

SLNO	CLIENT TYPE	No. of Holders	Total Positions	% of Holdings to the Total shareholding
1	Resident	13565	2444047	18.83
2	NRI	59	45084	0.35
3	Corporate Body	228	990925	7.64
4	Clearing Member	76	78804	0.61
5	Trusts	1	1	0
6	Bank	2	10810	0.08
7	Promoters/Directors/relative	8	9407080	72.48
8	EMPLOYEES	13	1585	0.01
	Total	13952	12978336	100

17. Particulars of Promoter Shareholding as on March 31, 2012

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	1465952	11.30
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
	Total		9407080	72.48

18. STOCK MARKET DATA RELATING TO SHARES LISTED IN INDIA

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange and National Stock Exchange for financial year 2011-2012 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-11	68	47.05	2504029	68.3	47	3957564
May-11	71.1	47.2	2248103	71.2	49	5170610
Jun-11	58.3	48.2	1138990	58	49	2692470
Jul-11	54.4	48.85	359437	54	48.6	720106
Aug-11	52.7	41.55	326752	52.5	41.5	498192
Sep-11	61.9	50.4	613885	61.35	50.5	915801
Oct-11	73.55	56.55	503338	73.7	57	814250
Nov-11	74.05	65	557603	74.35	65.55	854980
Dec-11	79.9	63.75	533897	79.9	67.15	1073500
Jan-12	98	75.6	333496	98.5	89.4	469143
Feb-12	117	81.25	1041216	117	85.65	2000901
Mar-12	153.3	110.5	991588	153.4	112.85	1702162

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 31.03.2012, 12978240 numbers of shares representing 99.99% of the total shares of the Company are in dematerialized form and 96 shares are held in physical form. 100% of the promoter's holdings are held in dematerialized form, in compliance to SEBI guidelines.

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 : rajtv@vsnl.com, comp_sec@rajtvnet.in Website: www.rajtvnet.in

22. Dividend

The Board of Directors have recommended payment of dividend @ ' 1/- per share on paid up value of ' 10 per 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 July 23, 2012 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 July 23, 2012.

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 demand.

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, 2012 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 : 30.04.2012

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.

JOSEPH CHERIYAN
Company secretary & Compliance officer.

Place: Chennai
Dated: 30.04.2012

**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 31,2012, 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 : 30.04.2012

For Raj Television Network Limited
Raajhendhran M
Chairman

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION FOR THE YEAR 2011-12**

To,
The Board of Directors
Raj Television Network Ltd

In relation to the audited accounts of the Company as at 31st March, 2012 we hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year 2011-2012 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: 30.04.2012

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, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

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

30.04.2012
Chennai

AUDITORS' REPORT TO THE MEMBERS OF RAJ TELEVISION NETWORK LIMITED

1. We have audited the attached Balance Sheet of **RAJ TELEVISION NETWORK LIMITED** as at 31st March 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by management in the preparation of financial statements and (d) evaluating the overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) amendment order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
Further to our comments in the Annexure referred to above we report that:
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as directors in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2012
 - ii) In the case of Profit and loss Account, of the loss for the year ended 31st March 2012 and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

30.04.2012
Chennai

Annexure referred to in paragraph 3 of Auditors' Report to the Members of RAJ TELEVISION NETWORK LIMITED on the accounts for the year ended 31st March 2012.

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 under report. And it has made cash loss 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 not dealing in or trading in shares, securities debentures and other investments.
 - 15) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
 - 16) In our opinion, short-term loans are applied for the purpose of which they were obtained.
 - 17) According to the information and explanation given to us, and based on financial statement of the Company, we report that no funds raised on Short-term basis have been used for long-term investment.
 - 18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
 - 19) The company has not issued debentures during the year.
 - 20) No Security or charge has been created in respect of debentures issued by the company.
 - 21) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial Statement and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Chennai
Date : 30th April 2012

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

RAJ TELEVISION NETWORK LIMITED
No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018
BALANCE SHEET AS AT 31st MARCH 2012

A	Equity and Liabilities	Sch No.	As at year end 31.03.2012	As at year end 31.03.2011
1	Shareholder' Funds			
	(a) Share Capital	3	129,783,360	129,783,360
	(b) Reserve and surplus	4	817,179,213	740,131,713
	(b) Money Received against Share Warrants			
			<u>946,962,573</u>	<u>869,915,073</u>
2	Share Application money pending allotment		-	-
3	Non Current Liabilities			
	(a) Long Term Borrowings	5	97,403,867	12,689,792
	(b) Deffered tax Liabilities (Net)	6	58,078,348	51,638,256
	(c) Other Long Term liabilities	7	33,043,178	30,543,178
			<u>188,525,392</u>	<u>94,871,226</u>
4	Current Liabilities			
	(a) Short Term Borrowings	8	76,879,390	69,653,141
	(b) Trade Payables	9	20,752,369	35,414,746
	(d) Short Term Provisions	10	34,425,503	7,870,335
			<u>132,057,262</u>	<u>112,938,222</u>
	TOTAL - EQUITY AND LAIBILITIES		<u>1,267,545,227</u>	<u>1,077,724,521</u>
B	ASSETS			
1	Non - Current Assets			
	(a) Fixed Assets	11	526,830,387	453,949,740
	(b) Non Current Investments	12	13,112,272	10,499,872
	(c) Deffered Tax assets (Net)		-	-
	(d) Long term Loans and Advances	13	194,862,793	163,906,833
	(e) Other Non-Current Assets	14	28,833,176	31,672,151
			<u>763,638,628</u>	<u>660,028,596</u>
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	15	60,665,450	60,500,000
	(c) Trade Receivables	16	373,804,069	328,848,550
	(d) Cash and Cash Equivalentents	17	64,252,603	18,555,787
	(e) Short term Loans and advances	18	1,771,127	7,445,494
	(f) Other Current Assets	19	3,413,350	2,346,094
			<u>503,906,599</u>	<u>417,695,925</u>
	Total		<u>1,267,545,227</u>	<u>1,077,724,521</u>

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

As per our report of even date

For Pratapkaran Paul & Co.,
Chartered Accountants.,
Firm Registration Number: 002777S
Pratapkaran Paul - Partner.
M. No. 23810
Chennai
30th July 2012

For and on behalf of the Board of directors

Raajhendhran.M
Managing Director

M.Rajarathinam
Director

Joseph Cheriyan
Company Secretary

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

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

C. INCOME	Sch No.	For the Year ended 31.03.2012	For the Year ended 31.03.2011
(a) Revenue from Operations	20	540,625,246	445,501,543
(b) Other Income	21	6,810,599	5,450,972
Total Income from Operations		547,435,845	450,952,515
D. EXPENDITURE			
(a) Operation Expenses	22	182,321,418	181,975,934
(b) Employee Benefit Expenses	23	101,197,820	70,907,734
(c) Depreciation and Amortisation Expenses	11	32,949,128	43,142,181
(d) Finance Cost	24	18,756,915	11,475,368
(e) Administrative and other Expenses	25	113,638,909	243,134,930
Total Expenses		<u>448,864,190</u>	<u>550,636,147</u>
Profit/ (Loss) before exceptional and extraordinary items and tax		98,571,655	(99,683,632)
Exceptional Items		-	528,700
Profit/ (Loss) before extraordinary items and tax		98,571,655	(100,212,332)
Extraordinary Expenses		-	-
Profit/ (Loss) before tax		98,571,655	(100,212,332)
- Current Year Tax		8,763,789	-
- MAT Credit Entitlement		(8,763,789)	-
- Deferred Tax Current Year		6,440,092	(2,077,135)
- Current tax Expenses relatint to previous years		-	-
Profit/ (Loss) After tax		<u>92,131,563</u>	<u>(98,135,197)</u>
Nominal Value of Share (in Rs)		10.00	10.00
Basic and diluted EPS before Extra Ordinary item(in Rs)		7.10	(7.56)
Basic and diluted EPS after Extra Ordinary item(in Rs)		7.10	(7.56)
Weighted Average Number of Shares Outstanding		12,978,336	12,978,336

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 Pratakaran Paul & Co.,
Chartered Accountants.,
Firm Registration Number: 002777S
Pratakaran Paul
Partner.
M. No. 23810

For and on behalf of the Board of directors

Raajhendhran.M Managing Director	M.Rajarathinam Director	Joseph Cheriyan Company Secretary
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Chennai
30th July 2012

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

		As on 31.03.2012	As on 31.03.2011
A	CASH FLOW FROM OPERATING ACTIVITIES	Rupees	Rupees
1	Net Profit Before Tax and extra Ordinary Items	98,571,655	(100,212,333)
	Adjustments for:		
2	Loss / (Profit) on sale of asset	23,029	(143,566)
3	Loss / (Profit) on sale of Investment	-	124,154
4	Depreciation and amortization	32,949,128	43,142,181
5	Interest paid	18,756,915	11,475,368
	Operating Profit before working capital Changes	150,300,727	(45,614,196)
	Adjustments for :		
6	Inventories	(165,450)	(54,300,000)
7	Trade Receivables	(44,955,519)	105,033,176
7	Loans and Advances	(23,509,875)	(60,750,857)
8	Trade Payable	(691,272)	6,821,740
	Cash generated from Operation	80,978,611	(48,810,137)
9	Direct Tax	-	-
	Net Cash from Operating Activities	80,978,611	(48,810,137)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale of Assets	300,000	3,493,700
	Purchase of Assets	(106,152,804)	(57,623,229)
	Acquisition of Shares	(2,612,400)	(1,566,464)
	Sale of Shares	-	1,574,259
	Net cash from Investing Activities	(108,465,204)	(54,121,734)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Borrowal / (Repayment) of long term Borrowings	91,940,324	60,898,153
	Interest	(18,756,915)	(11,475,368)
	Net cash from Financing Activities	73,183,409	49,422,785
	Net Cash Flow During the year	45,696,816	(53,509,086)
	Cash and Cash Equivalent as at 01.04.2010		72,064,873
	Cash and Cash Equivalent as at 01.04.2011	18,555,787	
	Cash and Cash Equivalent as at 31.03.2011		18,555,787
	Cash and Cash Equivalent as at 31.03.2012	64,252,603	

For and on behalf of the Board of directors

Raajhendhran.M
Managing Director

M.Rajarithnam
Director

Joseph Cheriyan
Company Secretary

Chennai
30th July 2012

As per our report of even date
For Pratapkaran Paul & Co.,
Chartered Accountants.,
Firm Registration Number: 002777S
Pratapkaran Pau
Partner
M. No. 23810

RAJ TELEVISION NETWORK LIMITED

Schedules to Balance Sheet
Schedule - 3 Share Capital

	As at March 31st 2012		As at March 31st 2011	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Authorised Capital				
15000000 Equity Shares of Rs.10 each.	15000000	150,000,000	15000000	150,000,000

	As at March 31st 2012		As at March 31st 2011	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Issued, Subscribed and Paidup Share Capital				
12978336 Equity Shares of Rs.10 each Fully paid up.	12978336	129,783,360	12978336	129,783,360
	12978336	129783360	12978336	129783360

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, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of Number of Shares	As at March 31st 2012		As at March 31st 2011	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Equity Shares				
Opening Balance	12978336	129,783,360	12978336	129,783,360
Changes During the Year				
i) Fresh Issue	-	-	-	-
ii) Bonus Issue	-	-	-	-
Closing Balances	12978336	129,783,360	12978336	129,783,360

Details of Shares held by Shareholders holding more than 5% of the aggregate Shares in the Company	As at March 31st 2012		As at March 31st 2011	
	No of Shares	% of shares	No of Shares	% of shares
M Raajhendhran	1,465,952	11.30%	1,465,952	11.30%
M Ravindran	1,465,952	11.30%	1,465,952	11.30%
M Raghunathan	1,465,952	11.30%	1,465,952	11.30%
M Rajarathinam	1,465,952	11.30%	1,465,952	11.30%
R Amudha	885,821	6.83%	885,821	6.83%
R Aruna	885,817	6.83%	885,817	6.83%
R Vijayalakshmi	885,817	6.83%	885,817	6.83%
R Usharani	885,817	6.83%	885,817	6.83%

Shares Alloted as fully paid up by way of bonus shares (during 5 years preceeding March 31, 2012)

During the year ended March 31 2007, the company has alloted 89,20,535 Equity Shares of Rs.10/- as fully paid up by way of bonus shares by capitalisation of free reserves.

RAJ TELEVISION NETWORK LIMITED


Schedule - 4	As at March 31st 2012	As at March 31st 2011
Reserves and Surplus		
(i) Securities Premium Account	561,602,418	561,602,418
(ii) Profit and Loss Account		
Balance, beginning of year	171,792,051	269,927,249
Add : Profit transferred from Profit & Loss Account	92,131,563	(98,135,198)
	263,923,614	171,792,051
Less: Proposed Dividend	12,978,336	-
Tax on Proposed Dividend	2,105,735	-
Amount transferred to General Reserve	9,213,156	-
Balance at the end of year	239,626,387	171,792,051
(iii) General reserve Transferred from the profit & loss A/c		
Balance, beginning of year	6,737,252	6,737,244
Add : Amount transferred from Profit & Loss Account	9,213,156	-
Balance at the end of year	15,950,408	6,737,244
Grand Total	817,179,213	740,131,713

The Board of Directors at its meetings held on April 30 th 2012 has recommended a final dividend of Rs.1/- (Previous Year Nil) Per equity share.

Schedule - 5

Long Term Borrowings		
Term Loan	85,258,772	
Vehicle Loan	12,145,095	12,689,792
Total	97,403,867	12,689,792

Nature of Security and terms of Repayment for Long Term Secured Borrowings

Nature of Security	Terms of Repayment
i) Term Loan amounting to Rs. 852.58 Lakhs (March 31, 2011 NIL) is secured primarily by project assets at estimated 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 II nd street Teynampet Chennai 600 018.	Repayable in sixteen quarterly Installments commencing from May 2012 .Last Due in May 2016. Rate of Interest 14.25% p.a as at year end. (Previous Year NIL)
ii) Vehicle Loan amounting to Rs. 15.54 Lakhs (March 31, 2011 19.07)Lakhs is secured by Hypothecation of Vehicle.	Repayable in 60 Monthly Installments commencing from 08-Oct-2010. Last Due in 08-Sep-2015 Rate of Interest 10% p.a as at year end. (Previous Year 10% p.a)
iii) Vehicle Loan amounting to Rs. 9.00 Lakhs (March 31, 2011 13.06)Lakhs is secured by hypothecation of vehicle .	Repayable in 60 Monthly Installments commencing from 22-Nov-2010. Last Due in 22-Oct-2015 Rate of Interest 12% p.a as at year end. (Previous Year 12% p.a)
iv) Vehicle Loan amounting to Rs. 96.83 Lakhs (March 31, 2011 94.76 Lakhs) is secured by hypothecation of vehicle.	Repayable in 60 Monthly Installments commencing from 14-Mar-2009. Last Due in 14-Feb-2014 Rate of Interest 12% p.a as at year end. (Previous Year 12% p.a)

Schedule - 6

Deferred Tax Liabilities (Net)		
Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from:		
Depreciation / Amortisation	51,638,256	53,715,391
Others	6,440,092	(2,273,503)
Total	-	196,369
Total	58,078,348	51,638,256

RAJ TELEVISION NETWORK LIMITED

Schedule - 7	As at March 31st 2012	As at March 31st 2011
Other Long Term liabilities		
(a) Other Payables (Other Payables Comprises of Long term Capital Creditors and advances received from the customers which are in disputes and litigations)	33,043,178	30,543,178
Total	33,043,178	30,543,178
Schedule - 8		
Short Term Borrowings		
Overdraft Facility from Canara Bank (Overdraft facility from Bank is secured by hypothecation of Bookdebts of the company, fixed deposits and Property of the Company)	76,879,390	69,653,141
Total	76,879,390	69,653,141
Schedule - 9		
Trade Payables		
Payable towards Purchases	20,521,662	28,960,979
Advance received from customers	230,707	6,453,767
Total	20,752,369	35,414,746
Schedule - 10	As at March 31st 2012	As at March 31st 2011
Short Term Provision		
(a) Provision for employee benefits	8,735,625	5,316,940
(b) Others		
(i) Proposed final dividend on equity shares	12,978,336	-
(ii) Tax on dividend	2,105,735	-
(iii) Current income tax including TDS Payable	10,605,807	2,553,395
Total	34,425,503	7,870,335
Provision for employee benefits include Salary Payable, Provision for gratuity and other retirement benefits		
Schedule - 12		
Investments		
Quoted - Long term in equity shares - at cost		
15,000 (Previous year 15,000) equity shares Rs. 1 each fully paid up in Balrampur Chini Mills Limited	1,635,000	1,635,000
8,000 (Previous year 8,000) equity shares Rs. 1 each fully paid up in GMR Infrastructure Limited	1,352,000	1,352,000
6,512 (Previous year 6,512) equity shares Rs. 2 each fully paid up in Jaiprakash Power Ventures Limited	487,749	487,749
22,000 (Previous year 22,000) equity shares Rs. 2 each fully paid up in Suzlon Energy	6,436,540	6,436,540
1,100 (Previous year 1,100) equity shares Rs. 1 each fully paid up in Tata Communications Limited	588,583	588,583

RAJ TELEVISION NETWORK LIMITED


100 (Previous year NIL) equity shares Rs. 5 each fully paid up in Sun TV Network Limited	28,031	-
29087 (Previous year NIL) equity shares Rs. 1 each fully paid up in Dish TV India Limited	-	-
5000 (Previous year NIL) equity shares Rs. 1 each fully paid up in Delta Corp Limited	1,793,319	-
	402,050	-
2000 (Previous year NIL) equity shares Rs. 10 each fully paid up in Sterling Holiday Resorts (India) ltd	215,660	-
9000 (Previous year NIL) equity shares Rs. 1 each fully paid up in Lanco Infratech limited	173,340	-
Market value of quoted investments	4,741,703	2,899,148
Total	13,112,272	10,499,872
Schedule - 13	As at March	As at March
	31st 2012	31st 2011
Long Term Loans and Advances		
Unsecured and Considered Good		
(a) Capital Advances	93,212,800	97,235,384
(b) Security Deposits	24,537,555	5,867,405
(c) Loans and advances to employees	1,174,344	488,924
(d) Advance tax (including refunds receivable)	40,164,799	25,275,279
(e) MAT Credit Entitlement	8,763,789	-
(f) Loans and advances to related parties	26,891,439	33,872,509
(g) Others	118,068	1,167,332
Total	194,862,793	163,906,833
Schedule - 14		
Other Non Current Assets		
Fixed Deposit	25,854,678	24,455,789
Prepaid Expenses	2,978,498	7,216,362
Total	28,833,176	31,672,151
Schedule - 15		
Inventories		
Film Rights	60,665,450	60,500,000
Total	60,665,450	60,500,000
Schedule - 16		
Trade Receivables		
Unsecured and considered good		
More than six months	247,694,066	218,837,499
Less than six months	126,110,003	110,011,051
Total	373,804,069	328,848,550
Schedule - 17		
Cash and Cash Equivalents		
Cash in Hand	80,797	215,669
Balances with Scheduled Bank in -		
Deposit Account	65,283,527	22,132,119
Current Account	(1,111,721)	(3,792,001)
Total	64,252,603	18,555,787

RAJ TELEVISION NETWORK LIMITED


Schedule - 18	As at March 31st 2012	As at March 31st 2011
Short Term Loans and Advances		
Unsecured and considered good		
(a) Loans and advances to employees	-	-
(b) Loans and advances to related parties	-	-
(c) Other loans and advances	1,771,127	7,445,494
Total	1,771,127	7,445,494

Schedule - 19	As at March 31st 2012	As at March 31st 2011
Other Current Assets		
Interest Receivable	3,413,350	2,346,094
	3,413,350	2,346,094

S. No	PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK		
		AS ON 01.04.2011	ADDITIONS	DELETIONS	AS ON 31.03.2012	AS ON 01.04.2011	RATE %	FOR THE PERIOD	DELETION	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
1	LAND	115,533,547	-	-	115,533,547	-	-	-	-	-	115,533,547	115,533,547
2	BUILDING	40,930,175	1,755,975	-	42,686,150	3,396,119	1.63%	715,936	-	4,112,055	38,574,095	37,534,056
3	PLANT & MACHINERY	402,953,432	97,209,366	-	500,162,798	140,970,499	4.75%	21,679,225	-	162,649,724	337,513,074	261,982,933
4	COMPUTERS	31,039,588	6,145,759	-	37,185,347	21,298,545	16.21%	5,495,472	-	26,794,016	10,391,331	9,741,044
5	VEHICLES	41,929,161	423,189	512,895	41,839,455	23,644,248	9.50%	3,996,763	189,866	27,451,145	14,388,310	18,284,913
6	FURNITURE & FIXTURES	16,711,178	618,515	-	17,329,693	5,837,931	6.33%	1,061,733	-	6,899,664	10,430,029	10,873,247
	Total	649,097,081	106,152,804	512,895	754,736,990	195,147,341		32,949,128	189,866	227,906,604	526,830,387	453,949,740

Schedules forming part of Profit & Loss Account

Schedule 20 Revenue	For the Year ended 31-3-2012	For the Year ended 31-3-2011
Income from Broadcasting Operations	573,875,424	457,492,714
Income from Other Operations	25,614,139	26,922,576
Gross Revenue	599,489,563	484,415,290
Less : Service Tax	58,864,317	38,913,747
	540,625,246	445,501,543
Schedule 21		
Other Income	5,433,944	5,358,353
Interest Income	1,376,655	92,619
Other Income	6,810,599	5,450,972

RAJ TELEVISION NETWORK LIMITED

Schedules forming part of Profit & Loss Account	For the Year ended	
	31-3-2012	31-3-2011
Schedule 22		
Operation Expenses		
Production Expenses	182,321,418	181,975,934
	182,321,418	181,975,934
Schedule 23		
Employee Benefit Expenses		
Directors Remuneration	13,000,000	13,000,000
Salary and Allowances	79,273,119	51,416,213
Staff Welfare	4,484,076	3,624,518
Contribution to Provident and other funds	4,440,625	2,867,003
	101,197,820	70,907,734
Schedule 24		
Financial Expenses		
Interest	17,555,615	10,418,072
Others	1,201,300	1,057,296
	18,756,915	11,475,368
Schedule 25		
Administrative and other Expenses		
Advertisement Expenses	6,301,536	3,585,851
Audit Fees	200,000	200,000
Bad Debts written off	15,293,992	162,879,149
Commission	4,978,550	4,359,935
Electricity Charges	11,706,653	6,832,045
Entertainment	1,390,272	2,032,325
Insurance	977,888	1,127,951
Internet & Website charges	1,336,641	745,853
Legal and Professional Fees	6,944,706	4,509,528
Miscellaneous Expenses	3,440,399	1,067,367
Office Maintenance	418,096	407,717
Postage and Courier	670,595	664,207
Printing and Stationery	2,647,696	1,991,054
Rent	6,359,504	4,504,548
Rate and Taxes	8,156,444	10,049,538
Repair and Maintenance		
- Building	3,504,724	5,129,329
- Plant and Machinery	1,588,588	1,099,782
- Others	2,276,570	1,507,936
Sales Promotion	7,798,531	6,772,018
Security Charges	289,547	50,960
Sitting Fees	205,000	195,000
Telephone Charges	2,918,377	3,509,993
Traveling and Conveyance	13,277,558	12,585,252
Vehicle Maintenance	10,957,042	7,327,592
	113,638,909	243,134,930

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

Schedule 1

A. 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 on accrual basis. These financials statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3c) [Companies Accounting Standards Rules, 2006 as amended and the other relevant provisions of the companies Act, 1956 and the guidelines issued by the Securities and Exchange Board of India(SEBI).
- b) The company follows Mercantile System of accounting and recognizes items of income and expenditure on accrual basis except those with significant uncertainties.

2. Revenue Recognition

- a) Broadcasting services - Advertisement Revenue is recognised when the related advertisement or commercial is telecast.
- b) Subscription revenue is recognised on completion of service.
- c) Sales comprise amounts invoiced to customers for services provided net of discounts.
- d) Sale are recognised when the risk and rewards of ownership are passed onto the Customers.
- e) Interest Income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.

3. Fixed Assets

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

4. Depreciation

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

5 Inventories

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

6 Transaction in Foreign Currencies

- a) Export transactions denominated in Foreign currencies are normally recorded as per actual export realisation.
- b) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of the contract.
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. 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) Contribution towards Provident Fund and other recognised funds are charged to Profit and loss Account.
- b) The Company contributed to gratuity fund based on Company's Policy.

8 Segment reporting

The company has no reportable Business or Geographical segment.

9 Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred tax is recognised, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and 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 Earning Per Share is computed and disclosed using the weighted average number of common shares outstanding during the year.
- b) Diluted Earning per Share is computed and disclosed using the weighted average number of common and diluted equity shares outstanding during the year.

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

Long-term Investments are carried at cost. However provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Schedule 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. Secured Loans

A. Cash Credit with Banks are secured by

- a) Hypothecation of Book Debts of the Company.
- b) Hypothecation of Property at Old No.13 A, Poes Road, Second Street, Teynampet, Chennai - 18.

3. Fixed Assets.

Fixed Assets are valued and shown adopting the following basis:

- a) Fixed assets acquired are shown at the cost of acquisition.
- b) Fixed assets acquired under Hire Purchase are shown at their principal cost excluding the interest cost.

4. Depreciation

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

5. Effects of Changes in Foreign Exchange Rates

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date
- b) The change in value of Foreign Currency liability due to increase or decrease in the exchange rate is adjusted against appropriate fixed assets.

6. Film and Program Broadcasting rights

Cost relating to film and program broadcasting rights are fully expensed on the date of first telecast of the film or program.

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.20,752,369/- (Previous Year Rs. 35,414,746/- 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. Auditor's Remuneration (*)

Particulars	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
a. For Audit	100,000	100,000
b. For Tax Audit	50,000	50,000
c. For Other Services	50,000	50,000
Total	200,000	200,000

(*) excluding service tax

9. Foreign Exchange Transactions		
Particulars	Year ended 31.03.2012 (Rs.)	Year ended 31.03.2011 (Rs.)
I. Earnings in Foreign Exchange		
Export of TV Programme	25,491,590	23,888,610
Total	25,491,590	23,888,610
II. Expenditure in Foreign Exchange		
Travelling	593,352	615,625
Production Expenses	799,821	1,115,881
Purchase of assets	36,968,128	3,244,566
Repairs and maintenance	624,288	707,032
Royalty	10,026,565	
Total	49,012,154	5,683,104

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. Transactions with Related Parties

As at 31.03.12
in Rs

As at 31.03.11
in Rs

a) **Remuneration**

Directors / Key Managerial Personnel

13,000,000

13,000,000

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

Loans and Advances

M/S.Vissa Television Network Limited

26,891,439

33,872,509

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

Particulars	Units	Year ended	Year ended
		31.03.2012	31.03.2011
a. Net profit after tax before Extraordinary Item	Rs.	92,131,563	(98,135,198)
b. Net profit after tax after Extraordinary Item		92,131,563	(98,135,198)
c. Weighted average of number of equity shares used in computing basic and diluted Earnings Per Share	No. of shares	12,978,336	12,978,336
d. Basic and Diluted EPS before Extra Ordinary Item (a/c)	Rs.	7.10	(7.56)
e. Basic and Diluted EPS after Extra Ordinary Item (b/c)	Rs.	7.10	(7.56)

12. Provision for Deferred Tax Liability

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

Particulars	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Deferred Tax Liabilities	Opening	Charged/ (Credited) to P&L	Closing
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	51,638,256	6,440,092	58,078,348
Total	51,638,256	6,440,092	58,078,348
13. Contingent Liability		Year ended	Period ended
Particulars		31.03.2012	31.03.2011
		(Rs.)	(Rs.)
a) Bank Guarantee given for differential amount of Customs duty in respect of machinery imported under EPCG scheme.		7,076,965	7,733,300
b) Legal cases against the Company		Unascertainable	Unascertainable
14. Balances of the Sundry Debtors and Sundry Creditors are subject to confirmation.			

For and on behalf of the Board of directors

Raajhendhran.M
Managing DirectorM.Rajarithnam
DirectorJoseph Cheriyan
Company SecretaryAs per our report of even date
For Pratakaran Paul & Co.,
Chartered Accountants.,
Firm Registration Number: 002777S
Pratakaran Pau
Partner
M. No. 23810Chennai
30th July 2012

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 18TH ANNUAL GENERAL MEETING of the Company held on Monday, the 30th July 2012 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 18TH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th July 2012 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 _____ 2012



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.



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Raj Television Network Limited
Registered Office: 32, Poes Road, Ind
Street, Teynampet, Chennai-600 018