

# RAJ TELEVISION NETWORK LIMITED

Leading Television Network  
in South India.



*The People's Channel*

## 20<sup>th</sup> ANNUAL REPORT 2013 - 2014

**RAJ TELEVISION NETWORK LTD.,**  
32, Poes Road, 2nd Street, Teynampet, Chennai - 600 018.  
Tel: 24334149/50/51, 24351898/2926 Fax: 91-44-24341260  
Web: [www.rajtvnet.in](http://www.rajtvnet.in)



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

# RAJ TELEVISION NETWORK LIMITED

2013 - 2014  
ANNUAL REPORT

20 Years

43 COUNTRIES

13 CHANNELS

4 INTERNATIONAL BEAMS



The People's Channel



## CORPORATE DETAILS

## BOARD OF DIRECTORS

MR. M. RAAJHENDHRAN	MANAGING DIRECTOR
MR. M. RAJRATHINAM	DIRECTOR- FINANCE
MR. M. RAVINDRAN	DIRECTOR- OPERATIONS
MR. M. REGUNATHAN	DIRECTOR-MARKETING
MR. D. R. KAARTHIKEYAN	INDEPENDENT DIRECTOR
MR. R. RAJAGOPALAN	INDEPENDENT DIRECTOR
MR. A. ARJUNA PAI	INDEPENDENT DIRECTOR
MR. MOHAN KAMESWARAN	INDEPENDENT DIRECTOR

## COMPANY SECRETARY &amp; COMPLIANCE OFFICER

MR. JOSEPH CHERIYAN: (ACS)

## AUDIT COMMITTEE

MR. A. ARJUNA PAI (CHAIRMAN)  
MR. R. RAJAGOPALAN  
MR. M. RAJARATHINAM

## NOMINATION AND REMUNERATION COMMITTEE

MR. R. RAJAGOPALAN (CHAIRMAN)  
MR. D. R. KAARTHIKEYAN  
MR. A. ARJUNA PAI

## SHAREHOLDERS &amp; INVESTORS GRIEVANCE COMMITTEE

MR. D. R. KAARTHIKEYAN (CHAIRMAN)  
MR. M. RAAJHENDHRAN,  
MR. M. RAVINDRAN

## STATUTORY AUDITORS

M/S PRATAPKARAN PAUL & CO,  
CHARTERED ACCOUNTANTS  
B-8, GEMS COURT, NO.25/14,  
KHADER NAWAZ KHAN ROAD,  
NUNGAMBAKKAM, CHENNAI - 600 006.

## SECRETARIAL AUDITORS

M/S NAGARAJAN & CO.,  
NEW NO. 29 KAVARAI STREET,  
WEST MAMBALAM, CHENNAI 600 033

## COST AUDITORS

SUBHASHINI  
PRACTISING COST ACCOUNTANT  
NEW NO.5, ALWARPET STREET  
ALWARPET, CHENNAI - 600 018

## LEGAL COUNCIL

HSB PARTNERS  
CAPITALE, 9<sup>TH</sup> FLOOR,  
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 : ADMINISTRATOR@RAJTVNET.IN,  
WEBSITE: WWW.RAJTVNET.IN , WWW.RAJT.TV

## 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

## STOCK EXCHANGE(S) &amp; STOCK CODE(S)

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (RAJTV)  
BSE LIMITED (532826)

## BANKERS

CANARA BANK  
STATE BANK OF INDIA  
INDIAN BANK,  
ICICI BANK LIMITED.

## REGIONAL OFFICES

## DELHI

1407-08, ANSAL TOWERS , 14<sup>TH</sup> FLOOR, 38,  
NEHURU PLACE , NEW DELHI -110 019

## HYDERABAD

B-23, ROAD NO.8, FILM NAGAR JUBILEE  
HILLS, HYDERABAD - 500 033

## MUMBAI

NO. 105, SWAPNA CO-OP HSG SOCIETY,  
1<sup>ST</sup> FLR, S.K. BHOLE MARG, DADAR WEST,  
MUMBAI - 400 028

## BANGALORE

K.K.M.P BUILDING, SECOND FLOOR,  
NO.16/1, MILLER TANK NAGAR,  
BANGALORE-560 052

## ABOUT US

**RAJ TV**  
THE PEOPLE'S CHANNEL

The Raj Television Network incorporated on June 3, 1994 to provide wholesome entertainment for the entire family and it is the largest Television satellite broadcasters in south India.

Currently Operating 13 Channels and Over 2641 Film Rights, hidden value worth more than Rs.400 Crores. Own Land and building with 75,000 Sq feet in Chennai and Hyderapad and First 24 hour Tamil Movie Channel – 'Raj Digital Plus'. Having Sales and marketing offices across India.



### CHANNELS:

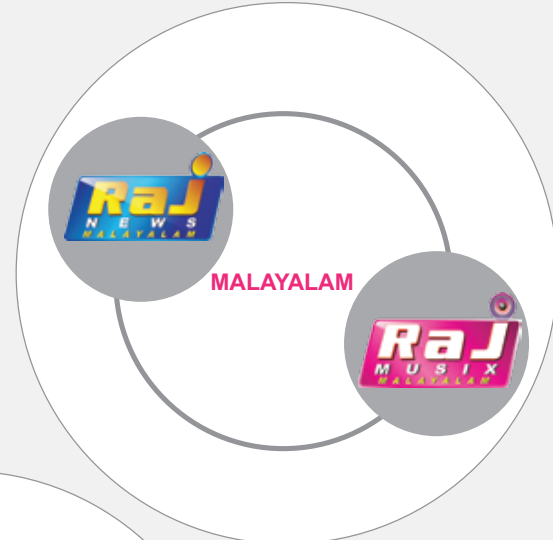
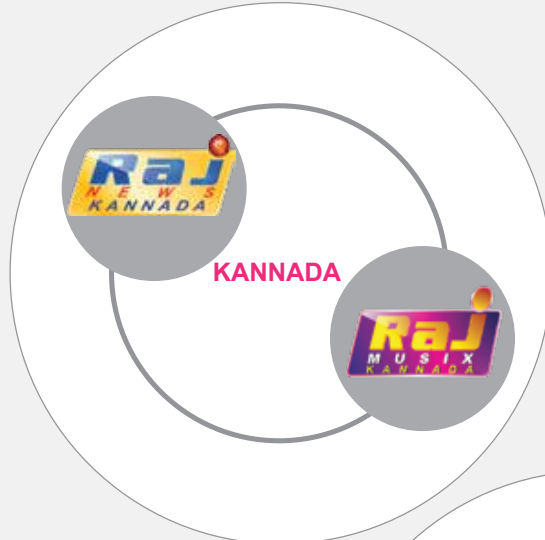
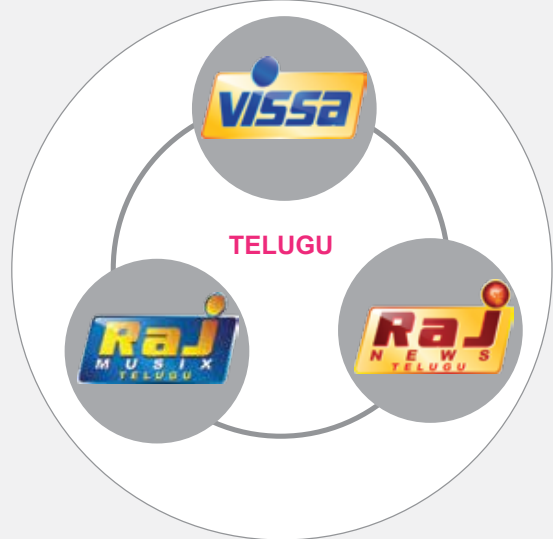
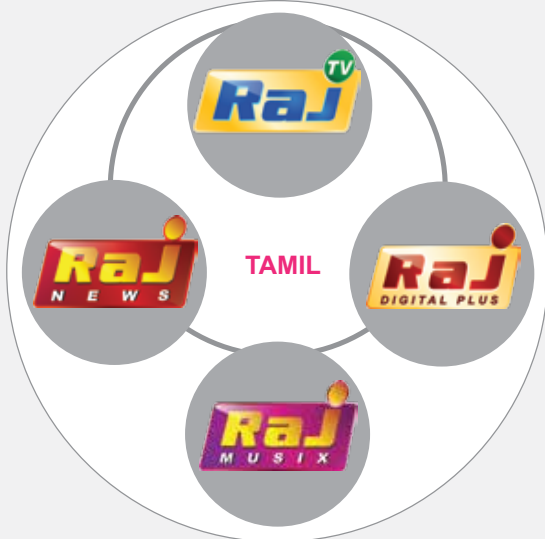
RAJTV, RAJ MUSICS, RAJ DIGITAL PLUS, RAJ NEWS, RAJ MOVIES - **TAMIL LANGUAGE**,  
RAJ MUSICS KARNATAKA & RAJ NEWS KARNATAKA - **KANNADA LANGUAGE**,  
RAJ MUSICS TELUGU & RAJ NEWS TELUGU, VISSA - **TELUGU LANGUAGE**,  
RAJ PARIWAR-**HINDI LANGUAGE**,  
RAJ MUSICS MALAYALAM & RAJ NEWS MALAYALAM - **MALAYALAM LANGUAGE**,  
RAJ NAGAICHUVAI(**TAMIL**) , RAJ KIDS(**TAMIL**) & RAJ MOVIES(**KANNADA**) are in pipe line.

### Business Activities:

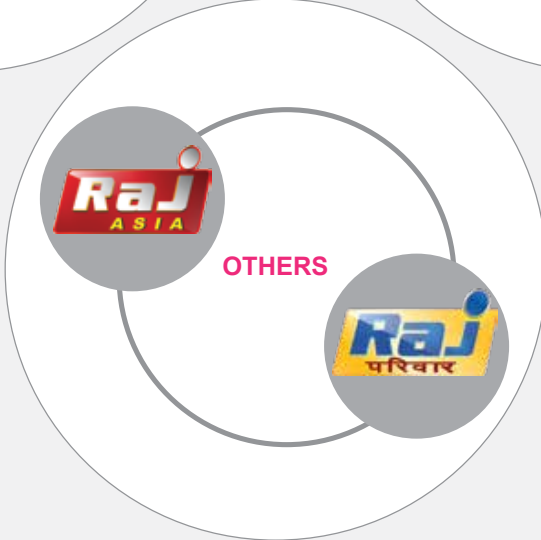
Broadcasting Southern Entertainment Channels. Channel content Include Movies, Comedy Shows, Game shows, Music shows, News time, etc.Export of films in foreign market and Web casting movie content over the Internet, IP TV, OTT technologies and various mediums of Infotainment.

A lot of effort is being taken to ensure that the programming mix appeals to people of all ages, of all backgrounds making it truly a **PEOPLE'S CHANNEL**.

RAJ TELEVISION NETWORK LIMITED

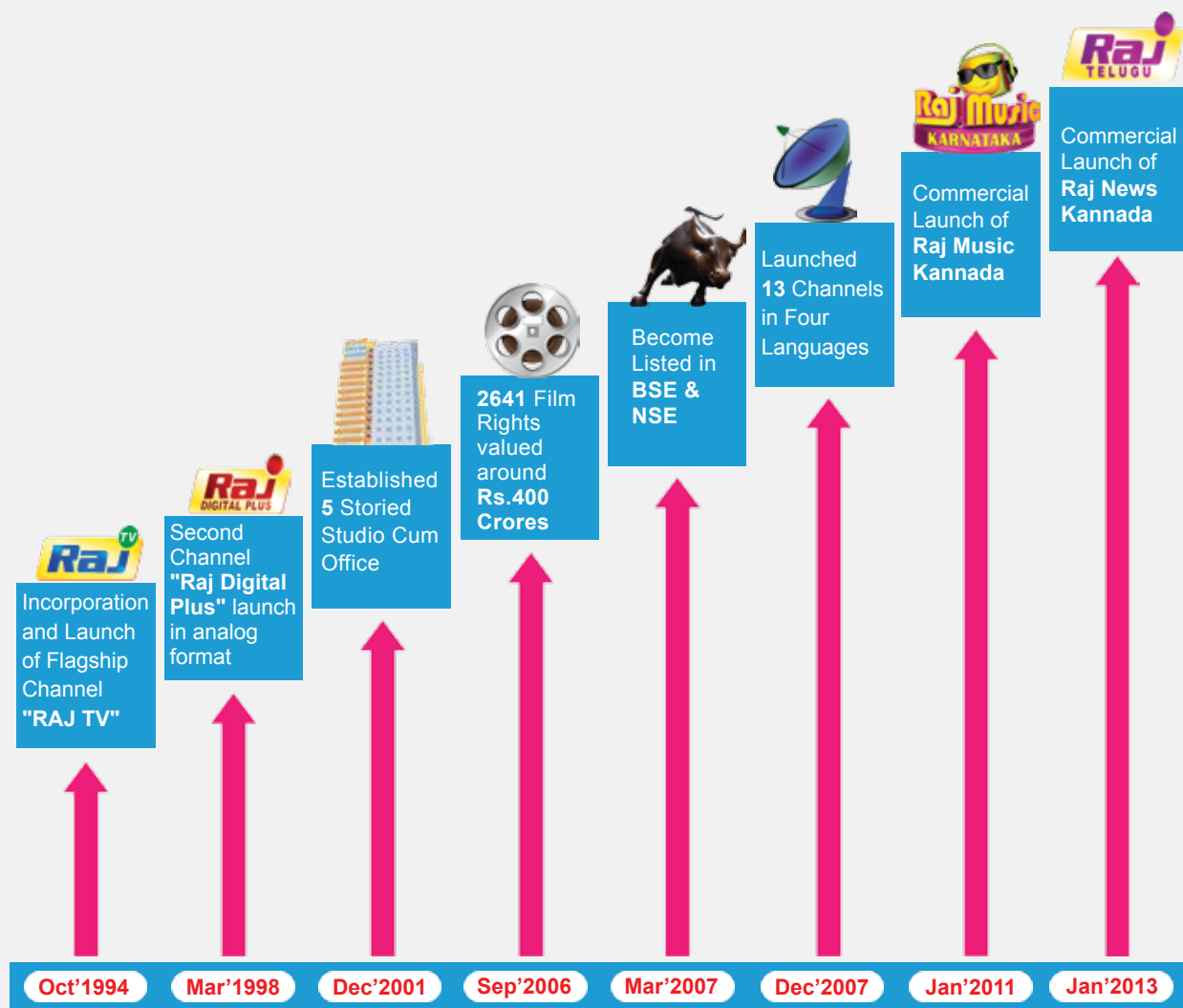


**43** COUNTRIES  
**13** CHANNELS



**4** INTERNATIONAL BEAMS

## RAJ TV JOURNEY SO FAR...



Year	2014	2013	2012	2011	2010
Net worth (Rs. Crores)	157	102	95	87	97
Book Value Per Share (Rs.)	121	79	73	67	75
Earnings Per Share (Rs.)	9.95	7.16	7.10	-7.56	-12.16
Note- For comparison purpose , Bonus and Split effects of Share Capital not considered					

## RAJ TELEVISION NETWORK LTD.,

## FIVE YEAR FINANCIAL SUMMARY

(Amount In Rs. (lakhs))

YEAR ENDED MARCH 31	2010	2011	2012	2013	2014
Operating Income	4,490.77	4,455.02	5,406.25	6,752.73	7,946.55
Other Income	126.91	54.51	68.11	74.41	107.26
<b>Total Income</b>	<b>4,617.68</b>	<b>4,509.53</b>	<b>5,474.36</b>	<b>6,827.14</b>	<b>8,053.81</b>
<b>EXPENDITURE</b>					
Operational Expenditure	2,329.28	1,819.76	1,823.21	2,830.17	2,372.21
Employee Benefit Expenses	647.24	709.08	1,011.98	1,167.51	1,760.42
Administrative and other Expenses	2,878.03	2,431.35	1,136.39	1,108.87	1,468.81
Depreciation and Amortisation Expenses	261.81	431.42	329.49	367.71	395.71
Extra Ordinary Expenses	2.12	5.29			
<b>Total Expenditure</b> (Excluding Interest and Financial Charges)	<b>6,118.47</b>	<b>5,396.89</b>	<b>4,301.07</b>	<b>5,474.26</b>	<b>5,997.16</b>
Profit Before Interest and Tax	-1,500.79	-887.36	1,173.29	1,352.88	2,056.65
<b>Finance cost</b>	<b>122.90</b>	<b>114.75</b>	<b>187.57</b>	<b>387.19</b>	<b>467.59</b>
PBT	-1,623.69	-1,002.12	985.72	965.69	1,589.06
TAXES	-46.12	-20.77	64.40	37.06	297.85
<b>PAT</b>	<b>-1,577.57</b>	<b>-981.35</b>	<b>921.32</b>	<b>928.63</b>	<b>1,291.21</b>
<b>ASSETS</b>					
Fixed Assets	4,282.65	4,539.50	5,268.30	6,418.13	11,398.54
Non Current assets	251.85	2,060.78	2,368.08	2,154.26	2,488.94
Current assets	6,567.66	4,176.95	5,039.07	5,345.36	7,764.59
<b>Total Assets [A]</b>	<b>11,102.17</b>	<b>10,777.23</b>	<b>12,675.45</b>	<b>13,917.75</b>	<b>21,652.07</b>
<b>LIABILITIES</b>					
Long Term Borrowings					
A-Term Loan			852.59	654.49	1,229.24
B-Vehicle loan	16.61	126.90	121.45	50.86	19.90
Deferred tax Liabilities (Net)	537.15	516.38	580.78	617.85	693.36
Other Long term Liabilities		305.43	330.43	372.64	237.94
<b>TOTAL</b>	<b>553.76</b>	<b>948.71</b>	<b>1,885.25</b>	<b>1,695.84</b>	<b>2,180.45</b>
<b>Current Liabilities</b>					
Bank Borrowing for Working Capital	197.84	696.53	768.79	709.26	2,497.42
Other Current liabilities	670.07	432.85	551.78	1,265.24	1,241.87
<b>Current Liabilities</b>	<b>867.91</b>	<b>1,129.38</b>	<b>1,320.57</b>	<b>1,974.50</b>	<b>3,739.29</b>
<b>Total liabilities [B]</b>	<b>1,421.67</b>	<b>2,078.09</b>	<b>3,205.83</b>	<b>3,670.34</b>	<b>5,919.74</b>
<b>Networth (A-B)</b>	<b>9,680.50</b>	<b>8,699.14</b>	<b>9,469.62</b>	<b>10,247.41</b>	<b>15,732.33</b>
<b>Represented by</b>					
Share Capital	1,297.83	1,297.83	1,297.83	1,297.83	2,595.67
P&L A/c Balance	2,699.27	1,717.92	2,396.26	3,081.18	4,016.53
Net Reserves and Surplus	5,683.40	5,683.40	5,775.53	5,868.39	9,120.14
<b>RATIOS</b>					
PBDIT/TOTAL INCOME	-32.50	-19.68	21.43	19.82	25.54
PBT/TOTAL INCOME	-35.16	-22.22	18.01	14.14	19.73
PAT/TOTAL INCOME	-34.16	-21.76	16.83	13.60	16.03
RETURN ON CAPITAL EMPLOYED	-15.48	-9.72	10.89	11.95	11.94
EXPENSES/SALES	51.87	40.85	33.72	41.91	29.85
DEBT/EQUITY	14.69	23.89	33.85	35.82	37.63
BOOK VALUE PER SHARE (RS)	74.59	67.03	72.96	78.96	121.00
EPS	-12.16	-7.56	7.10	7.16	9.94

Note- For comparison purpose , Bonus and Split effects of Share Capital not considered

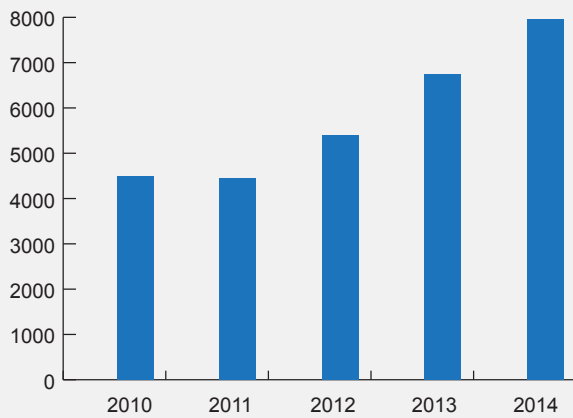


## RAJ TELEVISION NETWORK LTD.,

## WHAT THE NUMBERS SAY

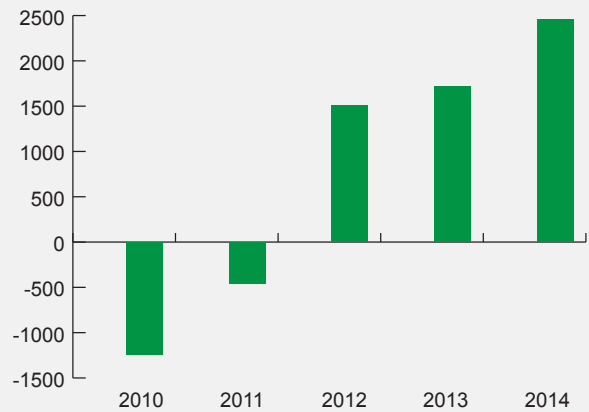
## GRAPHS

OPERATING INCOME ( in Lakhs )



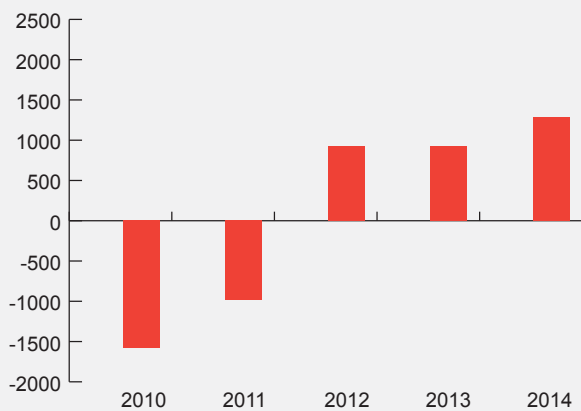
■ OPERATING INCOME

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ( in Lakhs )



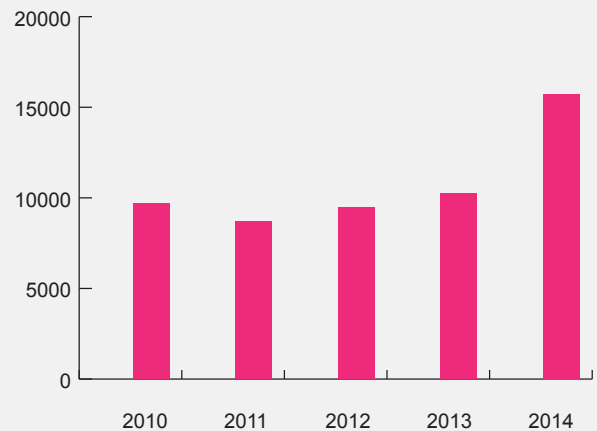
■ EBIDTA

PROFIT AFTER TAX ( in Lakhs )



■ PAT

NETWORTH ( in Lakhs )



■ NETWORTH

## RAJ TELEVISION NETWORK LTD.,

## WHAT THE NUMBERS SAY

## GROWTH DRIVERS

## ESTABLISHED NAME IN THE SOUTHERN TV INDUSTRY

The Raj TV brand is one of the most prominent and visible entertainment franchises in South India. Its strength lies in its diverse content and a range of 13 channels that reach out to all segments of society and appeals to all age groups and demographic sections. Currently it is the second largest television broadcasters in South India. It has its sales and marketing offices across India.

## ONE OF THE LARGEST CONTENT LIBRARIES IN THE COUNTRY

The Company has a bank of 2,641 movie titles, comprising a rich repertory ranging from latest blockbusters to old classics, to cater to the diverse tastes of the audience. The Company's Film Satellite Rights can be conservatively valued more than 400 crores. The library of Raj TV has excellent re-run revenue generating capabilities and export revenues.

## IN-HOUSE INTELLECTUAL PROPERTY RIGHTS (IPR)

Most of the content on Raj Television Network's channels is produced by the Company in-house. Hence the Company enjoys proprietary right over the content. The Company also purchases certain rights to programmes, produced by external producers, for its channels and incorporates them in its IPR archives. This strategy has helped build its intellectual property asset base and is a potential revenue generator through sale/use of such content. The IPR asset base shall provide the necessary backup for future expansions in India and abroad.

## ROBUST SUPPORT INFRASTRUCTURE

The Company has developed a strong back-end infrastructure in the form of production facilities, studios and related amenities to create its own content without having to depend on external providers of these services.

## ESTABLISHED DISTRIBUTION AND CLIENT NETWORK

Raj TV has already entered into agreements for distribution of its content over the internet with youtube.com and IPTV Technology service providers across the world in offering its content over new mediums. The Raj Group is at various levels of negotiations with various Telco and VOD service providers in offering its content on pay per view basis. It highlights the company's ability to explore and take advantage of new technologies for increasing their viewership and revenues. The Company has, over the last 20 years, developed a strong distribution team for ground level interface with MSOs and cable operators on a day to day basis. The marketing team of the Company has effectively built a strong relationship network amongst major advertisers and media buying agencies.

## PROSPECTS TO SERVE THE SOUTH INDIAN DIASPORA

The South Indian Diaspora forms an affluent consumer base and is an attractive target audience for the content created for television by the Company. Raj TV has a rich and diverse content library that can be leveraged to reach out to this large and growing market through tie-up with overseas broadcasters/media agencies. The Company has commenced distribution of its content in overseas markets in South East Asia recently and plans to ramp up this activity shortly.

## STRONG AND SUSTAINED GROWTH TRENDS IN THE SOUTH INDIAN M&amp;E MARKET

The South Indian television market is one of the most flourishing regional media segment in terms of availability of content, reach and distribution. Over the years, it has seen increased action from regional as well as national advertisers. In fact, regional advertisers now contribute almost 40% of the industry's advertisement revenues in states such as Tamil Nadu and Kerala. The South Indian media & entertainment market is worth approx. Rs. 24,000 crores with television accounting for close to 60% of the size of the industry. As per a Deloitte estimate the overall media & entertainment market in South India will grow at a CAGR of 16% between 2013 and 2017, while the television industry is expected to register a CAGR of 20% during the same period.

## DIGITIZATION HAS BEEN A GAME CHANGER FOR BROADCASTERS

Subscription revenues currently represent 66% of the television industry revenue in the South Indian markets and advertisement revenues represent about 30%. With digitization of cable and the resulting shift from analog to digital ARPU levels, the share of subscription revenues in overall industry revenue is expected to rise to 73% in FY 2017. Digitization is also expected to boost the share of broadcasters in subscription revenues and reduce their dependence on advertising revenues. This would be particularly useful in the context of the TRAI mandated 12-minute ad cap per clock hour.

## LEADING PROGRAMMES

## SUPER DANCERS



"Super Dancers" is one of the biggest reality shows by dance performers to showcase their talent in groups. The competition took off with hundreds of dance teams of youngsters performing in various genres. These 30 teams entered the biggest challenge round to raise the level of their performances. Choreographers like Sujatha, Nanda, Abinaya Shree and Anto will be the judges for the mega auditions.

## PUTHIYATHOR KAVINGAN SEIVOM



This is a completely different reality show that is on the lookout for a good poet in town who can become a lyricist in the Tamil film Industry. Vishali Kannadasan, daughter of one and only legendary poet/lyricist Kannadasan, will be a judge right from day one - from choosing, training and moulding the participants altogether in a professional front.

## RAJINI'S PUNCH THANTHRA



A show that unfolds into the lives of people.... People who have made this simpleton, an immortal Super Star!! As the entire audience is aware, Rajinikanth's dialogues are no less than 'godly'....One of the main reasons for his stardom is his punchy & powerful dialogues and the stylish way it is pronounced....Almost every film of his has one such 'punch' dialogue which fetches him those thundering claps & whistles.

## TAMIL PESUM KADHANAYAGI



Tamil speaking heroines have become rare in kollywood these days. Tamil Pesum Kadhanayagi is about Girls, Glamour, Acting, Dance, Training, Fun & Celebrities!! We groom them to become the best in everything! It is important to be fit, punctual, dedicated, mentally & physically strong and ready to do anything, anytime, anywhere which is all being trained at military camp.

## LEADING PROGRAMMES

## BEACH GIRLZ



Beach Girlz is a celebrity chat show hosted by 2 bubbly girls, Bhavna and Kalyani who interact with the guests giving them tricky situations and asking silly questions.. It is a fun chat show that also involves light hearted games.. This show brings out the child in them.. More than 120 celebrity guests have been a part of Beach Girlz.

## KOPPIYAM



Koppiyam a crime report section which reveal the truth of the crime incident which happens in society Raj tv spots the criminal action and the reasons behind through research and the facts .koppiyam show acts as an intermediate between society and government through RAJ TV Koppiyam probes other angles to the motivation of the crime cases.

## SWARNA SANGEETHAM



Aspiring Carnitic musicians from all parts of Tamil Nadu have taken part in this competition.. While it had a larger participation from Tamil Nadu, it also had participation from Vishakapatnam, Mysore, Delhi, Hydrebad, Banglore and Texas(U.S.A).... Raj Tv has created a global platform for all these classical musicians to come together....

## GOLD CASINO



Bet with what we give....Take home GOLD upto 5 kgs. The show offers the viewers a golden opportunity which they have never seen before in their life – the chance to win 5 kgs of GOLD by just answering 10 questions of varied subjects. This show is being hosted by none other than Ms. Suhasini, who needs no introduction to the media.

## LEADING SERIALS

## SINDHU BHAIRAVI



Sindhu Bhairavi is the story of two friends with opposite backgrounds. Bhairavi is the daughter of a wealthy couple, Divya and Jogi Thakur; while Sindhu is the daughter of their poor, live-in domestic help, Thamarai Bharati. Sindhu uses clothes and other possessions that are cast-off by Bhairavi. In spite of the vast difference in status, the girls become best friends.

## MANN VAASANAI



The show is set up in rural Rajasthan emphasizing the practice of child marriage showing Anandi, a young girl married to Jagdish, the only grandson of Kalyani Devi and Dharmveeer Singh. The practice of child marriage. The show thus tries to throw light on social problems such as child marriage and the ostracising of widows prevalent in rural areas.

## KARUTHAMMA



The story is about a girl Sia, who raises her voice against Ammaji, the sarpanch of Veerpur. The people Veerpur are accused with old religious practices like killing of girl child. Sia takes a stance against Ammaji's atrocities and tries to make people of Veerpur aware about it. The story deals with the social evil of Female infanticide, and concentrates on the problems faced by women in a male-dominant world.

## NILAVE MALARE



Nilave Malare primarily revolves around two families who are relatives, the Ahluwalias and the Ahujas. It focuses on the troubles they go through in bringing up their children and the lessons they learn from these experiences. Nilave Malare is a story of how the families overcome their differences and learn to get through the ups and downs of life together.

## LEADING SERIALS

## URAVUGAL SANGAMAM

உறவுகள்  
சங்கமம்

This entire story is going around three sets of families who are one way or the other responsible for any one of the above heading. How they get pardon or punishment for that sins and how each family someway or other meet at one point of time and find a solution.

## GOWRAVAM



Gowravam is the story of Jai Kishan, the dedicated and cultured son of the Vaishnav family that lives in Keshavgarh. He wants to stay with his family, but situations force him to leave his home and got to the US. The show will deal with his stay in a foreign land, and how he keeps his tradition close to his heart even when he's away from his homeland.

SUMMER  
SPECIAL

## KODAI KONDATTAM

A six town song event which is organised by U K. Murali and his troop which covers the southern part of TN such as Madurai, Coimbatore, Erode , Selam, Trichy and Chennai.

It is a stage concert by RAJ TV and performed by most familiar stars from the entertainment Industry Its been performed for the past few years which had received a good response from the audience around TN.

## CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

## MUDHALVAN AWARDS



It can't get better than this for school toppers! RAJ TV Network, one of the leading Tamil Television Channels has been hosting the Mudhalvan Awards consecutively for the past 16 years....

Mudhalvan - as the name suggests, RAJ TV will honour the top ranking students of 10<sup>th</sup> & 12<sup>th</sup> standards every year, from every district of Tamil Nadu...

The Students will be presented with "Medals".

We make it a memorable evening not only for the students, parents but also to the connoisseurs & celebrities who attend the event...



## WOMEN ACHIEVER AWARDS



RAJ TV celebrates "International Women's Day" in a colourful way as women would always like anything & everything to be. As a prime player in media, we think it is our duty & responsibility to identify & bring to lime light those women who are real role models to the younger generation.

We award 5 Women Achievers from different walks of life for their contribution to their respective fields.



## MOVIE FESTIVALS

## AMMAN MOVIE FESTIVAL



Aadi thiruvizha is a festival celebrated in TN the south Indian state this festival is celebrated once a year in tamil month of Aadi it comes in the month of July People in general would pray to "Goddess Amman" to fulfill their wishes. During this month Amman movies closely associated with hindu goddess Amman will be telecasted this movie festival in RAJ TV is predominant every year and its been a great success....

## RAJINIKANTH MOVIE FESTIVAL



Film festival of Rajinikanth is an organized extended presentation of rajnikanth film for the hole month during his birthday The films may be of recent date and depending upon the movie focus This festival focus on specific film or subject matter they are specially a typical annual events.

## KAMALHAASAN MOVIE FESTIVAL



It is a longest running movie festival largely celebrating the birthday of Dr.Kamal Hassan takes place every year It concentrator on emphasized feature length dramatic films of Kamal Hassan today this movie festival of kamal has grown from its place to the most influential character to the shown by an actor.

## VIJAY MOVIE FESTIVAL



Vijay an Indian actor playback singer and producer who worker in the tamil industry who is propulary known as illaya thalapathi during the month of June RAJ TV celebrates this birthday is the from movies and special program where fans from vijay fan club are invited and they celebrate his birthday as a grand show.



## MEGA EVENTS

## ENDRENDRUM RAVIKUMAR



Its one of the grand events of RAJ TV a show for K.S. RAVIKUMAR an Indian film director and actor primarily working in Tamil cinema for his carrier spanning of 25 years. It was a grand ceremony with shows & dance where RAJ TV felicitated K.S.RAVIKUMAR for his achievements in the film industry Major actors and actresses who worked with K. S.RAVIKUMAR for the past 25 years turned-up and shared their experience about KSR.

## RAAJAVIN SANGEETHA THIRUNAAL



RAJ TV presents Rajavin Sangeetha Thirunal the agenda of this event is to provide a world class show in Madurai with leading singers from the maestro arsenal from the 80s till present day The maestros 70 pier orchestra presented the show with celebrities of past and present participated in the musical extravaganza.



## DIGITIZATION OF EVER GREEN CINEMAS

RAJ TV is the only channel which highlight the evergreen movies of all times. Its first initiate of digitalizing evergreen movie Ninaithale inikkum had been a grand success and Raj tv is planning to digitalize more evergreen movies of the past. Raj tv is proud in saying that for the next few years we are planning to digitalize 25 movie of the past which are still evergreen in the hearts of the film industry.



DIGITAL CINEMAS

## RAJ TELEVISION NETWORK LIMITED



Raj Tv Network, India's largest media conglomerate has powerpacked 13 TV Channels with the reach of more than 95 million households in India. RAJ TV Network's channels can be viewed in all countries.

## RAJ DIGITAL PLUS



Raj Digital Plus is a Tamil Based Movie Channel.

## RAJ NEWS TAMIL



Raj News is a Tamil Based 24/7 News Channel.

## RAJ MUSIX TAMIL



Raj Musix is a Tamil Based Music Channel.

## VISSA TV



Vissa TV is a Family Entertainment Channel in Telegu.

## RAJ NEWS KANNADA



Raj News Kannada is a Kannada Based 24/7 News Channel.

## RAJ MUSIX KANNADA



Raj Musix Kannada is a Kannada Based Music channel.

## RAJ NEWS TELUGU



Raj Musix Telugu is a Telugu Based Music Channel.

## RAJ MUSIX TELUGU



Raj Musix Telugu is a Telugu Based Music Channel.

## RAJ NEWS MALAYALAM



Raj News Malayalam is a Malayalam Based 24/7 News Channel.

## RAJ MUSIX MALAYALAM



Raj Musix Malayalam is a Malayalam Based Music Channel.

## RAJ ASIA



Raj Asia is a Malaysia Based Family Entertainment Channel in Tamil.

## RAJ PARIVAAR



Raj Parivar is a Hindi Based 24/7 News Channel

## 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 20th annual general meeting of our company.

The year 2013-14 was a tumultuous year for the industry. In the midst of an economic slowdown, the industry faced several challenges, both business and regulatory. Despite this, emerging economies like India and China are still expected to grow. However rising food prices and the unprecedented increase in the price of crude oil are major concerns. This is forcing the corporate houses to rework their strategies and introduce cost cutting measures to retain the existing profit level. Spending on advertisement will also be subjected to review and pruning. Your Company in spite of current turmoil in the industry was able to post a performance better than the previous year. It is with a sense of pride that I enumerate some of the significant developments of your Company in the last fiscal.

As planned, your company has launched 'RAJ NEWS KANNADA'. Your 24x7 Kannada News channel during the year. Presently your company plans to increase our offering in Telugu and Malayalam Languages covering different genres. Healthy advertising revenues are expected from the news channels.

With consolidation of Cable scenario in the Tamilnadu, The reach of the channel has improved substantially. 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](http://www.youtube.com) / [www.rajtv.tv](http://www.rajtv.tv). Your company is also evaluating various other delivery platforms such as direct to handheld and various other OTT technologies. All these new initiatives are expected to augment the income substantially and help to post better results in this year.

In conclusion, I thank you for the belief and confidence you have reposed in our company. With your support and encouragement, I am confident that our company will scale new peaks in the coming year.

Your Company is looking forward to 2015 being a very exciting year in terms of growth of India's Television industry, riding on the digitization wave.

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

Warm Regards  
(Raajhendhran M.)



## NOTICE

**RAJ TELEVISION NETWORK LIMITED**

(CIN: L92490TN1994PLC027709)

REGD. OFFICE: NO.32, POES ROAD, SECOND STREET ,

TEYNAMPET CHENNAI- 600 018, TEL: 044-24334149/50

EMAIL: REDRESSAL@RAJTVNET.IN, WEBSITE: WWW.RAJTVNET.IN

**Notice is hereby given that the twentieth Annual General Meeting of the Company will be held on Friday, September 19, 2014, at Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004, at 10.00 A.M. to transact the following business:-**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March , 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend at the rate of Rs 0.25paise per equity share of Rupees 5 paid-up and confirm the interim dividend of Rs. 0.50 paise per equity share of Rupees 10 paid-up (before bonus allotment and split of the face value), already paid for the year ended 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Shri. A Arjuna Pai (holding DIN 01830471) , who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. D R Kaarthikeyan, (holding DIN 00327907) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri. R Rajagopalan, (holding DIN 00717140) who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri. Mohan Kaameswaran, (holding DIN 00562832) who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint M/s. Pratapkaran Paul & Co., Chartered Accountants (ICAI Registration No.002777S) as statutory auditors of the Company and fix their remuneration.

"RESOLVED THAT M/s. Pratapkaran Paul & Co., Chartered Accountants, Chennai – 600 006, 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".

**SPECIAL BUSINESS:**

8. **To consider, and if thought fit, to pass with or without modifications(s) the following resolution as a SPECIAL RESOLUTION:**

"Resolved that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, the consent of the members of the company be and is hereby accorded for varying the terms and conditions of remuneration being paid/payable to Shri M. Raajhendran, Managing Director (holding DIN 00821144) , of the company as enumerated here in below for the period from 01-04-2014 to 31-03-2016:

Salary: Rs 1,20,00,000/- (Rupees One Crore and Twenty lacs only) per annum, effect from 01st day of April, 2014, with a provision for increase in salary of not exceeding 12% per annum over the previous year. The exact percentage of increment to be given in each year shall be decided by the Board based on the performance of the Company.

Resolved further that the aggregate of the remuneration payable to whole time director / MD as detailed in above shall be subject to overall ceilings laid down under Schedule V of the Companies Act, 2013 .

Resolved further that the above said remuneration and perquisites shall be fixed for a period of two years, considering his tenure of original appointment, as permitted by Schedule V of the Companies Act, 2013 and shall be revised by the Board of Directors within the limits as mentioned in Part II of Schedule V of the Companies Act, 2013.

Resolved further that notwithstanding anything contained herein above, where, in any financial year during the tenure of his reappointment, the Company has no profits or its profits are inadequate, the remuneration payable to Managing Director shall be governed by and be subject to the ceilings provided under Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

## NOTICE

9. **To consider, and if thought fit, to pass with or without modifications(s) the following resolution as a SPECIAL RESOLUTION:**

"Resolved that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, the consent of the members of the company be and is hereby accorded for varying the terms and conditions of remuneration being paid/payable to Shri M. Rajarathinam , Whole-time Director , (holding DIN 00839174) of the company as enumerated here in below for the period from 01-04-2014 to 31-03-2016:

**Salary: Rs 1,20,00,000/- (Rupees One Crore and Twenty lacs only) per annum, effect from 01st day of April, 2014**, with a provision for increase in salary of not exceeding 12% per annum over the previous year. The exact percentage of increment to be given in each year shall be decided by the Board based on the performance of the Company.

**Resolved further** that the aggregate of the remuneration payable to whole time director as detailed above shall be subject to overall ceilings laid down under Schedule V of the Companies Act, 2013 .

**Resolved further** that the above said remuneration and perquisites shall be fixed for a period of two years, considering his tenure of original appointment, as permitted by Schedule V of the Companies Act, 2013 and shall be revised by the Board of Directors within the limits as mentioned in Part II of Schedule V of the Companies Act, 2013.

**Resolved further** that notwithstanding anything contained herein above, where, in any financial year during the tenure of his reappointment, the Company has no profits or its profits are inadequate, the remuneration payable to Whole time director shall be governed by and be subject to the ceilings provided under Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

10. **To consider, and if thought fit, to pass with or without modifications(s) the following resolution as a SPECIAL RESOLUTION:**

"Resolved that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions if any of the companies Act, 2013, the consent of the members of the company be and is hereby accorded for varying the terms and conditions of remuneration being paid/payable to Shri M. Ravindran- Whole-time Director, (holding DIN 00662830) of the company as enumerated here in below for the period from 01-04-2014 to 31-03-2016:

**Salary: Rs 1,20,00,000/- (Rupees One Crore and Twenty lacs only) per annum, effect from 01st day of April, 2014**, with a provision for increase in salary of not exceeding 12% per annum over the previous year. The exact percentage of increment to be given in each year shall be decided by the Board based on the performance of the Company.

**Resolved further** that the aggregate of the remuneration payable to whole time director / MD as detailed in -SI Nos. (1) above shall be subject to overall ceilings laid down under Schedule V of the Companies Act, 2013 .

**Resolved further** that the above said remuneration and perquisites shall be fixed for a period of two years as permitted by Schedule V of the Companies Act, 2013 and shall be revised by the Board of Directors within the limits as mentioned in Part II of Schedule V of the Companies Act, 2013.

**Resolved further** that notwithstanding anything contained herein above, where, in any financial year during the tenure of his reappointment, the Company has no profits or its profits are inadequate, the remuneration payable to Whole time director shall be governed by and be subject to the ceilings provided under Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

11. **To consider, and if thought fit, to pass with or without modifications(s) the following resolution as a SPECIAL RESOLUTION:**

"Resolved that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, the consent of the members of the company be and is hereby accorded for varying the terms and conditions of remuneration being paid/payable to Shri M. Ragnathan- Whole-time Director , (holding DIN 00662769) of the company as enumerated here in below for the period from 01-04-2014 to 31-03-2016:

**Salary: Rs 1,20,00,000/- (Rupees One Crore and Twenty lacs only) per annum, effect from 01st day of April, 2014**, with a provision for increase in salary of not exceeding 12% per annum over the previous year. The exact percentage of increment to be given in each year shall be decided by the Board based on the performance of the Company.

**Resolved further** that the aggregate of the remuneration payable to whole time director as detailed above shall be subject to overall ceilings laid down under Schedule V of the Companies Act, 2013.

**Resolved further** that the above said remuneration and perquisites shall be fixed for a period of two years, considering his tenure of original appointment, as permitted by Schedule V of the Companies Act, 2013 and shall be revised by the Board of Directors within the limits as mentioned in Part II of Schedule V of the Companies Act, 2013.

## NOTICE

Resolved further that notwithstanding anything contained herein above, where, in any financial year during the tenure of his reappointment, the Company has no profits or its profits are inadequate, the remuneration payable to Whole time director shall be governed by and be subject to the ceilings provided under Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED that in supersession of the Ordinary Resolution adopted at the Extra Ordinary General Meeting held on Thursday, July 27, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs.200 Crores (Rupees Two Hundred crores only) [including the money already borrowed by the Company] in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose".

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company) and on such terms and conditions as the Board may deem fit, by way of loans or in any other form whatsoever from, or issue of Bonds and/or Debentures or other Securities whether Convertible into Equity/Preference Shares and/or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to Equity/Preference Shares (hereinafter referred to as "Securities"), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not."

**13. To consider and if thought fit to pass the following resolution with or without modification as a SPECIAL RESOLUTION:**

"RESOLVED that in supersession of the Ordinary Resolution adopted at the Extra Ordinary General Meeting held on Thursday, July 27, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby accorded to Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or charge any of its movable and or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) at any point of time".

"RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to finalise, and agree to the terms as stipulated by the said financial institutions, bankers and other lenders and create mortgage and/or charge and to do all such other acts, deeds and things as may be necessary for giving effect to the above resolution."

## NOTICE

**14. To consider and if thought fit to pass the following resolution with or without modification as an ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or reenactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement Smt Amudha Rajendran (DIN 00716133) in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**15. To consider and if thought fit to pass the following with or without modification as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 204(1) of the Companies Act 2013 Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, Consent of the members of the company is be and is hereby given for appointment of M/s V. Nagarajan & Co., Company Secretaries, Chennai as Secretarial Auditors of the Company and the Board of Directors of the Company be and is hereby authorized to fix their remuneration from time to time in consultation with Audit Committee".

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution

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

- As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to send all communication to the Members through electronic mode. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members. Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding or registering their email addresses with the Company's Registrar and Share Transfer Agent, in case of physical shareholding. We hope that Members will join this cause and make the world a cleaner, greener and healthier place to live in. A member entitled to attend and vote at the Annual General Meeting (the meeting) may appoint a proxy to attend and vote on a poll on his behalf and proxy need not be a member of the Company.
- The proxy form appointing proxy to be valid must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form is appended with the attendance slip. Corporate members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Books shall remain closed from September 10, 2014 to September 19, 2014 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company to be held on September 19, 2014.
- Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their Annual Report to the meeting.
- 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.
- Members are hereby requested to send all correspondence concerning transfer, transmission, subdivision, consolidation of shares or any other share related matters and / or any change in the address to the Common Registrar and Share transfer Agent Viz; Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai-600002, Phone No.044-28460390-94, FaxNo.28460129, Email:Cameosys@cameoindia.in.
- Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 for Items No.8 to 15 of the notice is annexed.
- The relevant details regarding the Directors seeking reappointment in the Annual General Meeting as proposed in Item Nos. 3 to 6 and 14 of the notice as required by Clause 49 of the Listing Agreement is also being annexed here to separately and forms part of the notice.
- The Members are requested to lodge/notify the transfer deeds, communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any) with the Company's RTA for shares held in physical mode.

## NOTICE

10. The Members holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or RTA of the Company, as the Company is obliged to use only the data provided by the Depositories while making payment of dividend.
11. As per RBI notifications, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instruction and efficiency in handling bulk transactions. In this regard, shareholders holding shares in electronic form are requested to furnish Bank Account Number allotted to them by their bank (after implementation of CBS), along with photocopy of a cheque of the concerned account, to their Depository Participant. Please send these details to the Company or the RTA, only if the shares are held in physical form.
12. Members holding shares in physical form are requested to dematerialise their shares. Securities and Exchange Board of India (SEBI) has mandate the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.
13. As per the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to the Members, in respect of the equity shares held by them. Nomination Form 2B prescribed by the Government can be obtained from the RTA or the registered office of the Company.
14. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed admission slip duly completed and signed. Copies of all documents referred to in notice and explanatory statement annexed thereto and the statutory registers under Section 301 and 307 of the Companies Act, 1956 are available for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days i.e Monday to Friday, till the date of meeting and will also be available at the venue of the meeting.
15. Pursuant to provisions of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred unpaid/ unclaimed share application refund amount up to the 31st march 2014 to the Investor Education and Protection Fund (the Fund) of the Central Government. The unpaid/unclaimed dividend(s) declared thereafter, remaining unpaid or unclaimed for a period of seven years from the date the same become due for payment, will be transferred by the Company to the Fund of the Central Government, as and when due.
16. Shareholders who have not encashed the dividend warrant(s) are requested to return the unpaid dividend warrant(s) for revalidation or write to the Company at the above address to obtain duplicate dividend warrant immediately. Please note that after transfer of the unpaid/ unclaimed dividend to the Fund, no claims shall lie against the Fund or the Company in respect of individual amounts and no payment shall be made in respect of any such claims.
17. Information for Director seeking appointment / re-appointment in Annual General Meeting scheduled to be held on 19th September 2014 (Pursuant to Clause 49 (IV)(E) and 49 (IV)(G)(i) of the Listing Agreement) is enclosed and forms part of this notice.
18. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies of the Annual Report to the meeting. Investors may address their queries /communication at comp\_sec@rajtvnet.in.

NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**FOR ITEM NOS. 8 to 11 OF NOTICE CALLING THE ANNUAL GENERAL MEETING**

The following Explanatory Statement pursuant to Section 173(2) of the Companies act, 1956 and 102 of the Companies Act 2013 sets out all the material facts relating to the proposed Special Resolution mentioned in the accompanying Twentieth Annual General Meeting Notice dated 29th July 2014.

The members are aware that Mr. M. Raajhendhran , Mr. M. Rajarathinam ,Mr. M. Ravindran & Mr. M. Reghunathan are the promoters of the company and respectively they are appointed as Mr. M. Raajhendhran (Managing Director), Mr. M. Rajarathinam (Director-Content Acquisition), Mr. M. Ravindran (Director- Operation) & Mr. M. Reghunathan (Director-Marketing) since the date of incorporation and have more than two decades of experience in their respective fields and over all main media and entertainment industry.



## NOTICE

The approval of the members is sought for the revision in the remuneration payable to the managerial persons, which was originally fixed as per the limits of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, however the said managerial remuneration limit has been enhanced as per the latest Companies Act, 2013 and considering their two decades of dedicated service and their leadership qualities and contribution made by them as promoters and founders of the company, the enhancement of remuneration is proposed by the Board of Directors for their remaining tenure of their appointment which shall expire on 31-03-2016. The proposed remuneration is in compliance with Section on 196, 197, the Rules made there under read with Schedule V of the Companies Act, 2013 and other relevant and applicable provisions if any of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution on except Mr. M. Raajhendhran , Mr. M. Rajarathinam ,Mr. M. Ravindran & Mr. M. Reghunathan .

**FOR ITEM NOS. 12 and 13 OF NOTICE CALLING THE ANNUAL GENERAL MEETING**

In order to meet the requirements of Section on 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 the shareholders had, in the Extra Ordinary General Meeting held on 27-06-2006, authorized the Company to borrow sums in excess of paid up capital and free reserves of the Company subject to a ceiling of ` 200 Cr. (other than temporary borrowings) and also to charge/mortgage the movable and immovable properties in favour of the lenders.

Section on 180 of the Companies Act, 2013 (notified on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution on passed in the meeting of shareholders as compared to the requirement of ordinary resolution on under the previous Act.

Consequently, the Board recommends to the shareholders to pass a special resolution on under Section on 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, without altering the borrowing & mortgage limits already approved by way of Ordinary resolution on earlier. None of the Director or Key Managerial Personnel are interested or financially deemed to be interested in the resolution. .

**FOR ITEM NO. 14 OF NOTICE CALLING THE ANNUAL GENERAL MEETING**

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director. Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Smt. Amudha Rajendran be appointed as a Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Amudha Rajendran for the office of Director of the Company.

Smt. Amudha Rajendran is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 35,43,284 equity shares in the Company.

**Brief resume of Smt. Amudha Rajendran**

Smt Amudha Rajendran has two decades of two corporate experience in the Media industry and since incorporation she was associated with the company as a Promoter Director of the company till 2006. Presently she is Whole Time Director of M/s Vissa Television Network Limited, Chennai and has vast experience in the media and entertainment industry.

Smt. Amudha Rajendran may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director. Shri Raajhendran M, who is her relative and the Managing Director of the Company and Mr. M. Ravindran, M. Rajarethinam and Mr. M. Raghunathan, Whole Time Director who were their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Smt. Amudha Rajendran.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.14 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.14 of the Notice for approval by the shareholders.

**FOR ITEM NOS. 15 OF NOTICE CALLING THE ANNUAL GENERAL MEETING**

As per the provisions of Section 204 of the Companies Act, 2013 it provides that every listed company shall annex a Secretarial Audit report given by a Company Secretary in Practice which forms part of the Board's report. The content and form is prescribed by the Central Government in its Rules. Hence the Board recommends M/s V. Nagarajan & Co., Company Secretaries in Practice, Chennai as the Secretarial Auditor for the company for the financial year 2014-15 onwards. Hence the said resolution is placed before the members for their approval and adoption.

None of the Director or Key Managerial Personnel are interested or financially deemed to be interested in the resolution.

Regd. Office:  
32, Poes Road,  
Ilnd St, Teynampet,  
Chennai-600 018  
Date: 29<sup>th</sup> July.2014

By Order of the Board of Directors  
Joseph Cheriyan  
Company Secretary

## NOTICE

## THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.

**In case of members receiving e-mail:**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vi. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders ) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name followed by last 8 digits of Folio No in the PAN Field. In case the Folio No is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with Folio number 1 then enter RA00000001 in the PAN field.	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

**# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository or Company please enter the folio number in the Dividend Bank details field.**

## NOTICE

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on <Company Name> on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting period begins on **13<sup>th</sup> SEPTEMBER 2014 at 9 AM** and ends on **15<sup>th</sup> SEPTEMBER 2014 at 6 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **22<sup>nd</sup> AUGUST 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

Chennai-600 018  
Date: 29<sup>th</sup> July.2014

By Order of the Board of Directors  
Joseph Cheriyan  
Company Secretary

## NOTICE

THE ADDITIONAL INFORMATION AS REQUIRED UNDER PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 IS GIVEN AS UNDER:-

## I -GENERAL INFORMATAION

NAME OF THE MANAGERIAL PERSON AND DESIGNATION	M. RAAJHENDHRAN MANAGING DIRECTOR	M. RAJARATHINAM WHOLE TIME DIRECTOR	M .RAVINDRAN WHOLE TIME DIRECTOR	M. REGHUNATHAN WHOLE TIME DIRECTOR
Nature of industry	Media and entertainment	Media and entertainment	Media and entertainment	Media and entertainment
Date of commencement of commercial production	The company commenced its operation w. e. f. 14th October 1994.	The company commenced its operation w. e. f. 14th October 1994.	The company commenced its operation w. e. f. 14th October 1994.	The company commenced its operation w. e. f. 14th October 1994.
Financial performance of the company	The turnover of the company is Rs.80.53 crores and Profit After Tax is Rs.12.91 crores for the year ended 31.03.2014	The turnover of the company is Rs.80.53 crores and Profit After Tax is Rs.12.91 crores for the year ended 31.03.2014	The turnover of the company is Rs.80.53 crores and Profit After Tax is Rs.12.91 crores for the year ended 31.03.2014	The turnover of the company is Rs.80.53 crores and Profit After Tax is Rs.12.91 crores for the year ended 31.03.2014
Export performance	The company has achieved direct export turnover of Rs.19.26 crore for the year Ended 31.03.2014	The company has achieved direct export turnover of Rs.19.26 crore for the year Ended 31.03.2014	The company has achieved direct export turnover of Rs.19.26 crore for the year Ended 31.03.2014	The company has achieved direct export turnover of Rs.19.26 crore for the year Ended 31.03.2014
Foreign exchange collaborations & investments	The Company does not have any Foreign collaboration.	The Company does not have any Foreign collaboration.	The Company does not have any Foreign collaboration.	The Company does not have any Foreign collaboration.

## II-INFORMATION AMOUNT THE APPOINTEE

NAME OF THE MANAGERIAL PERSON AND DESIGNATION	M. RAAJHENDHRAN MANAGING DIRECTOR	M. RAJARATHINAM WHOLE TIME DIRECTOR	M .RAVINDRAN WHOLE TIME DIRECTOR	M. REGHUNATHAN WHOLE TIME DIRECTOR
Background details	He has been the Managing Director of the company since inception and adopts hands on style of management. With a modest beginning in the family business of a video publishing house and selling consumer electronics items and audiotapes, he has developed extensive knowledge on retail marketing. A visionary with strong business acumen, he formed this Company in the year 1994 and has been a major force behind the success of all channels.	He has been a Whole Time Director of the company since the date of incorporation. He has a long career in retailing of the contents and rights. He has, over a period of two decades, built and nurtured an extensive network of both domestic and overseas clients. He is actively involved in content acquisition for the Company's Channel and distributing the channels in various territories	He has been a Whole Time Director of the company since the date of incorporation.He is in charge of the in house production of various programs and overall operation of the Channels.He is equipped with technical expertise in the entertainment field, he looks after the technical aspects of the Company's operation.	He has been a Whole Time Director of the company since the date of incorporation and has extensive selling experience in the video cassette distribution business. He heads the marketing efforts of both the Channels of the company and is also responsible for developing and maintaining relationships with corporate clients and leading advertisement agencies.
Past Remuneration	Rs. 40,75,500/- annum with One month Salary (Rs. 3,13,500/-) as performance incentive.	Rs. 40,75,500/- annum with One month Salary (Rs. 3,13,500/-) as performance incentive.	Rs. 40,75,500/- annum with One month Salary (Rs. 3,13,500/-) as performance incentive.	Rs. 40,75,500/- annum with One month Salary (Rs. 3,13,500/-) as performance incentive.

## NOTICE

## II-INFORMATION AMOUNT THE APPOINTEE

NAME OF THE MANAGERIAL PERSON AND DESIGNATION	M. RAAJHENDHRAN MANAGING DIRECTOR	M. RAJARATHINAM WHOLE TIME DIRECTOR	M .RAVINDRAN WHOLE TIME DIRECTOR	M. REGHUNATHAN WHOLE TIME DIRECTOR
Recognition or awards	NIL	NIL	NIL	NIL
Job profile and suitability	Subject to the superintendence, direction and control of the Board, strategic management and financial control of the Company is vested on the Managing Director. Mr. M. Raajhndran, Managing Director of the company is instrumental to the strategic decision and guidance to the entire team of Raj TV Team and has been responsible for monitoring the performance of the company on regular basis.	The Whole time Directors oversees the operations of the company on various aspects under the supervision of the Managing Director and Board of directors of the company. Mr. M. Rajarathinam, Whole Time Director of the company is actively involved in content acquisition for the Company's Channel and distributing the channels in various territories	The Whole time Directors oversees the operations of the company on various aspects under the supervision of the Managing Director and Board of directors of the company. Mr. Ravindran, equipped with technical expertise in the entertainment field, he looks after the technical aspects of the Company's operation.	The Whole time Directors oversees the operations of the company on various aspects under the supervision of the Managing Director and Board of directors of the company. Mr. Raghunathan, with strong client network and strategic plans, has developed business relationship with large number of corporate Houses and advertising clients across India and overseas.
Remuneration proposed	Rs.1,20,00,000/-per annum.(Rupees One Crore Twenty lakhs only)	Rs.1,20,00,000/-per annum.(Rupees One Crore Twenty lakhs only)	Rs.1,20,00,000/-per annum.(Rupees One Crore Twenty lakhs only)	Rs.1,20,00,000/-per annum.(Rupees One Crore Twenty lakhs only)
Comparative remuneration	The proposed remuneration is in line with the remuneration prevailing in the industry.	The proposed remuneration is in line with the remuneration prevailing in the industry.	The proposed remuneration is in line with the remuneration prevailing in the industry.	The proposed remuneration is in line with the remuneration prevailing in the industry.
Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any:-	He being promoter Directors is the relative of the whole time directors. Besides, the remuneration proposed, Mr. M. Raajhendhran do not have any other pecuniary relationship with the Company.	He being promoter Directors is the relative of the whole timeDirectors & Managing Director. Besides, the remuneration proposed, Mr. M. Rajarathinam do not have any other pecuniary relationship with the Company.	He being promoter Directors is the relative of the whole timeDirectors & Managing Director. Besides, the remuneration proposed, Mr. M. Ravindran do not have any other pecuniary relationship with the Company.	He being promoter Directors is the relative of the whole timeDirectors & Managing Director. Besides, the remuneration proposed, Mr. M. Raghunathan do not have any other pecuniary relationship with the Company.

## NOTICE

## III-OTHER INFORMATION

NAME OF THE MANAGERIAL PERSON AND DESIGNATION	M. RAAJHENDHRAN MANAGING DIRECTOR	M. RAJARATHINAM WHOLE TIME DIRECTOR	M .RAVINDRAN WHOLE TIME DIRECTOR	M. REGHUNATHAN WHOLE TIME DIRECTOR
Reasons of loss or inadequate profits:	The Company proposes to give remuneration as minimum Remuneration within the limits as prescribed in the Schedule V of the Companies Act, 2013. The company is taking all steps and efforts to increase the profitability of the company by increasing the market share and to increase the advertisement revenue of the company.	The Company proposes to give remuneration as minimum Remuneration within the limits as prescribed in the Schedule V of the Companies Act, 2013. The company is taking all steps and efforts to increase the profitability of the company by increasing the market share and to increase the advertisement revenue of the company.	The Company proposes to give remuneration as minimum Remuneration within the limits as prescribed in the Schedule V of the Companies Act, 2013. The company is taking all steps and efforts to increase the profitability of the company by increasing the market share and to increase the advertisement revenue of the company.	The Company proposes to give remuneration as minimum Remuneration within the limits as prescribed in the Schedule V of the Companies Act, 2013. The company is taking all steps and efforts to increase the profitability of the company by increasing the market share and to increase the advertisement revenue of the company.
Steps taken/ to be taken for improvement	The Company has taken steps to Diversify the area of operation outside the state and improve the content, viewer ship and revenue.	The Company has taken steps to Diversify the area of operation outside the state and improve the content, viewer ship and revenue.	The Company has taken steps to Diversify the area of operation outside the state and improve the content, viewer ship and revenue.	The Company has taken steps to Diversify the area of operation outside the state and improve the content, viewer ship and revenue.
Expected increase in the productivity and profit in measurable terms	Company Expects 25% growth as against year ended 31.03.2014	Company Expects 25% growth as against year ended 31.03.2014	Company Expects 25% growth as against year ended 31.03.2014	Company Expects 25% growth as against year ended 31.03.2014

## IV - DISCLOSURE

- 1.The remuneration payable to Mr. M. Raajhendhran , Mr. M. Rajarathinam ,Mr. M. Ravindran & Mr. M. Reghunathan are detailed in the resolution.
2. Considering their experience and contribution by them towards the company's workings in all these years the remuneration proposed by the Board of directors of the company is considered moderate when compared with other media companies and hence the company recommended the proposed resolution for your consideration and approval.
3. These details may also be treated as the abstract of the terms and conditioned for the appointment of the Managing Director and Whole Time Director in compliance of the provisions of the Companies Act, 2013
4. Mr. M. Raajhendhran , Mr. M. Rajarathinam ,Mr. M. Ravindran & Mr. M. Raghunathan are deemed to be interested in the resolutions.

Regd. Office  
32, Poes Road,  
IInd St, Teynampet,  
Chennai-600 018  
Date: 29th July.2014

By Order of the Board of Directors  
Joseph Cheriyan  
Company Secretary

**BRIEF PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING AS REQUIRED TO BE FURNISHED PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA**



**Mr. M. Raajhendhran,**  
Managing Director

Mr. M. Raajhendhran, aged 64 years has been a director of the company since the date of incorporation and is responsible for its day-to-day management. He had a long and successful career in media and entertainment industry. With a modest beginning in the family business of a video publishing house, he started his career at an early age, by joining his father in the family business. The family set up Raj Video Vision in 1983 which started as a video cassette lending library and selling consumer electronics items and audio tapes. With keen sense of business and vision, he formed this Company in the year 1994 and has been a major force behind the success of all channels. He is responsible for providing strategic direction to the company and manages the overall operation and financial affairs of the company. He is the one of the founder promoters of the company who has overseen the growth of the organization from a Small Business to a successful and leading south Indian Entertainment and Broadcasting company and having thirteen channels.

Mr. M. Rajarathinam, aged 61 years has been a Whole Time Director of the company since the date of incorporation. He has a long career in retailing of the contents and rights. He has, over a period of two decades, built and nurtured an extensive network of both domestic and overseas clients through the sale of pre-recorded video cassettes and also exploit the same in other electronic and digital media like Compact Disk, Video Cd, Digital Video Disk etc. He is actively involved in content acquisition for the Company's Channel and distributing the channels in various territories and various internet based content distribution platforms.



**Mr. M. Rajarathinam,**  
Director Finance & Distribution



**Mr. M. Ravindran**  
Director Operations

Mr. M. Ravindran, aged 54 years has been a Whole Time Director of the company since the date of incorporation. He is in charge of the in house production of various programs and overall operation of the Channels. Mr. Ravindran, equipped with technical expertise in the entertainment field, he looks after the technical aspects of the Company's operation. He is responsible for the launching of new channels and day to day programming of all channels. He is also responsible for the other day to day administrative and establishment affairs of the Company.

Mr. M. Raghunathan, aged 51 years has been a Whole Time director of the company since the date of incorporation and is heading the marketing efforts of the Company. Mr. Raghunathan, with strong client network and strategic plans, has developed business relationship with large number of corporate Houses and advertising clients across India and overseas. He has been instrumental in sustaining the broadcasting business and has contributed significantly towards the growth of advertisement revenues of the Company.



**Mr. M. Raghunathan**  
Director Marketing

## DIRECTOR'S PROFILE

## NON-EXECUTIVE ( INDEPENDENT ) DIRECTORS

IN THE BEST INTERESTS OF SETTING HIGH STANDARDS OF CORPORATE GOVERNANCE, THE COMPANY HAS SOUGHT AND BEEN GRACED BY THE SERVICES OF AN EMINENT BOARD OF INDEPENDENT DIRECTORS.



**Mr. R. Rajagopalan**  
Independent Director

A retired Director General of Police, Tamil Nadu, he commenced his career in the Indian Army in October 1963. After joining the Indian Police Service in 1968, he had a distinguished career spanning over three decades with the police department. He has held senior positions such as Deputy Inspector General, CBI during 1983 – 1988. He was the Commissioner of Police from 1991 – 1995 and the Director General of National Security Guard during 2001 – 2002. He has held four posts of DGP in Tamil Nadu and was awarded seven medals including President's Police Medal (1992) and the Indian Police Medal for Meritorious Service (1983) He holds a Masters in Business Administration and Law. He is the Chairman Corporate Nomination and Remuneration Committee of the Board of Directors of the Company and member of the Audit Committee of the Board of Directors of the Company. He does not hold any share in the Company.

Shri. A. Arjuna Pai -a senior fellow member of The Institute of the Chartered Accountants of India, he is a partner in M/s Menon & Pai, a firm of Chartered Accountants engaged in audit and corporate advisory services. Before associating with M/s Menon & Pai he had occupied various key positions in some of the reputed organizations in Chennai with both financial advisory and administrative role. He is the Chairman of the Audit Committee of the Board of Directors of the Company and member of the Corporate Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold any share in the Company.



**Mr. A. Arjuna Pai**  
Independent Director



**Mr. D.R. Kaarthikeyan**  
Independent Director

Mr. D.R. Kaarthikeyan, 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. He is the Chairman of the Stake holders grievance Committee and member of Corporate Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold any share in the Company.

Dr. Mohan Kameswaran, is graduated from Madras Medical College. He got his MS from Madras Medical College, Chennai and his Fellowship at the Royal College of Surgeons, Edinburgh. Dr. Kameswaran is Consultant & Managing Director of Madras ENT Research Foundation Pvt. Ltd. Dr. Mohan Kameswaran is a highly acclaimed surgeon both nationally and internationally. He has been awarded Padmashri from the Government of India in 2006 for his long service in Medical Science. He was also awarded Indo-Australian award for his remarkable contribution in the medical science He is also an active writer in both national & international journals. He does not hold any share in the Company.



**Dr. Mohan Kameswaran**  
Independent Director



## DIRECTORS' REPORT

To  
**THE MEMBERS**

Dear Members

Your Directors take pleasure in presenting the 20<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2014.

### RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, in relation to the Annual Financial Statements for the Financial Year 2013-2014, your Directors confirm the following:

- The Financial Statements comprising of the Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date have been prepared in the revised format of Schedule VI of Companies Act, 1956 on a going concern and on the accrual basis and in the preparation of these Financial Statements, applicable accounting standards have been followed and there are no material departures;
- Accounting policies selected were applied consistently and the judgements and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- Directors had prepared the annual accounts on a going concern basis.

### FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2014 is summarized below:

(Rupees in lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from operations	7,946.55	6,752.73
Other Income	107.26	74.41
Total income	8,053.81	6,827.14
Total Expenses	6464.74	5861.45
Profit Before Tax	1589.06	965.68
Provision for Taxation	289.85	37.06
Profit after Tax (PAT)	1291.21	928.62
Add : Balance brought forward	3,081.18	2,396.26
Amount available for appropriations	4,372.40	3,324.89
Appropriations	-	-
Interim Dividend (Rs.0.50/- per share, Previous year Rs.Nil)	64.89	-
Tax on Interim Dividend	11.02	-
Proposed final Dividend (Rs.0.50/- Per share previous year Rs.1/- per share)	129.78	129.78
Tax on Proposed Dividend	21.06	21.06
Amount transferred to General Reserve	129.12	92.86
Balance carried forward	4,016.53	3,081.18

## DIRECTOR'S REPORT

### OPERATIONS REVIEW

The Company achieved revenue of **Rs. 8053.81** Lakhs as against **Rs. 6827.13** lakhs in the previous year. Net profit after tax stood at **Rs. 1291.21** lakhs as compared to Profit after tax of **Rs. 928.62** Lakhs in the previous year.

### DIVIDEND

In view of the better performance made in the current year, company paid an Interim Dividend of 5 % (Rs. 0.50 /- per equity share of Rs. 10 each ) before evaluate and issue of bonus shares by the company. Further the Board of Directors recommends 5% , dividend ,ie Rs. 0.25 paisa per equity Share of Rupees Five each, as final dividend on the equity shares of the company for the year ended March 31, 2014 and such Dividend shall be payable subject to approval of the Members of the Company. The outflow on account of Dividend, and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to ` 226.86 million, resulting in a payout of 43.70% of the profits of the Company on a standalone basis.

### SHARE CAPITAL

During the year under review, your Company on the occasion of completion of 20 years of broadcasting business, with the approval of the shareholders at the EGM, the authorised capital of the company was increased from 15 crores to 30 cores and reclassified the face value of the equity shares from rupees ten fully paid up to rupees five fully paid up and had allotted 25956672 equity shares at the rate of 1:1 as fully paid up Bonus Shares. The said Bonus Shares were listed and admitted for trading in BSE Limited and National Stock Exchange of India Limited on 29<sup>th</sup> March 2014. The Company has not issued any shares except Bonus Shares or any other security including DR/GDR/FCCB/Warrants during the year 2013-2014.

### BUSINESS OUTLOOK

In Calendar Year 2013, the Indian Media & Entertainment (M&E) industry registered growth of approximately 12 per cent, according to the FICCI-KPMG report 2014. Overall growth remained muted, largely caused by the slowdown of the Indian economy.

Your Company maintained the growth rate in Financial Year 2014 though the year gone by witnessed a muted growth in the Indian economy which had an impact on the overall television advertising spends recording low double digit growth, that too in spite of low GDP. Financial Year 2014 being the landmark year for the television industry in many ways, witnessed implementation of 12 minute advertising cap by majority of the broadcasters, change in television measurement metric from GRPs to TVTs, formation of a joint industry body Broadcast Audience Research Council (BARC), for nationwide audience research, implementation of second phase of digitisation which is a positive development to boost subscription revenues and the latest TRAI tariff order, which permitted a positive fillip to the subscription revenues. Digitization of cable saw progress of Television industry moving in the right direction, with the mandatory Digital Access System (DAS) rollout almost complete in Phase II cities. The impact was felt to the extent that carriage fees saw a reduction of 15-20 per cent overall, however the anticipated increase in ARPUs and subscription revenues for broadcasters and MSOs (Multi System Operators) is expected to be realized only over the next 2-3 years.

### FUTURE PROJECTS

The main objective of the Company's business plan is to reach each and every household across the World. The digital drive led by the exponential growth of DTH has been an outstanding feature over the last few years. With the focus shifting towards addressable infrastructure there will be a speeding up of digitization in India going forward. So, the Company is reaching out various multiple distribution platforms like, DTH, digital cable, OTT TECHNOLOGY , DAS, 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 and started the operation of its News Channel 'RAJ NEWS KANNADA', with this confidence and brand reach, we plan to increase our offering in Telugu, Malayalam and Hindi Languages.

Your 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. In case of subscription revenues, the DTH ARPUs have shown a positive trend. While digitisation has brought multiple niche channels for the viewers, it hasn't resulted in a dramatic shift in the viewing preferences. GECs have maintained the same share of viewing over the niche channels. The growth trend for subscription revenues largely depends on the roll out of the Phase III and IV of digitization. The timely roll out of these phases will certainly benefit the industry. The company had already initiated various developments especially in the web based platforms such as Google, internet, Android and Apple kind mobile applications, and the company started its own Website for exploring the new avenues of content distribution as 'rajtv.tv', and this move will help in terms to view and archive the existing programs of the company.

## DIRECTOR'S REPORT

### STATUTORY INFORMATION AND DISCLOSURES

#### PUBLIC DEPOSITS

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

#### LISTING AGREEMENT

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

#### CORPORATE GOVERNANCE

Your Company is committed to maintain best corporate governance practices, the internal governance policies are well documented and the Company has put in place a formalised system of Corporate Governance setting out the structure, processes and practices of governance within the Company. The Company has implemented all the stipulations prescribed under the Clause 49 of the Listing Agreement. A report on Corporate Governance together with Auditors' Certificate on compliance with the conditions of the said clause is provided as an annexure to this Report.

#### CORPORATE SOCIAL RESPONSIBILITY

Your Company has at a unified and centralised level, put in place a Corporate Social Responsibility (CSR) policy which is based on a belief that a Business cannot succeed in a society that fails and therefore it is imperative for business houses, to invest in the future by taking part in Social building activities. During the year Your Company mission is to bring qualitative changes to the lives of the under privileged and deserving people of Tamil Nadu. As a part of the ongoing effort, Raj Television Network conducted the event titled Mudhalvan Awards every year to encourage academic excellence. As part of the sincere effort to encourage academic excellence, Raj TV instituted Mudhalvan Awards in the year 1999. In pursuance of its commitment, Raj TV is conducting the Mudhalvan Awards for the 16<sup>th</sup> year in succession with Mudhalvan Awards 2014. During the year, Your Company honoured women achievers for excelling in their different fields such as medicine, education, fine arts and others on the occasion of Woman's Day.

#### 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.

#### REVALUATION OF LAND

Accounting Standard (AS) 10 on 'Accounting for Fixed Assets' permits the revaluation of fixed assets. During the year, the fixed asset Land holding of the company was revalued, in order to reflect the true and fair presentation of the value of the asset in the financial statements and there are no material changes in the financial statements due to the revaluation of land and the increase in Net Book Value arising on revaluation of Land to the extent of Rs.442,045,618/- was credited to Revaluation Reserve. The details are :-

Details of Property Revaluation				
S.No	Property details	Existing Value(Rs.)	Revalued Value(Rs.)	Break-up
				Land(Rs.)
01	Property in the name of the company, situated at Door No.32, Poes Road, Raj TV Building, New No.26, Poes Road, No.28/14, Poes Road, No.30/13, Poes Road, No.53/1 & 53/2, Poes Road, No.12/51, Poes Road and No.10/52, Poes Road	11,55,33,547	55,75,79,165	55,75,79,165
Revaluation reserve Created: Rs. 44,20,45,618/- in the financial statements				

#### DIRECTORS

As per the provisions of Companies Act, 2013, Independent Directors are required to be appointed for a term of maximum of 5 (five) consequent years and Independent Directors shall not be liable to retire by rotation. Accordingly, independent directors of your company Mr. D R Kaarthikeyan, Mr. A Arjuna Pai, Mr. R Rajagopalan and Mr Mohan Kameswaran, who were earlier appointed as Independent Directors, liable to retire by rotation and retiring at the ensuing AGM, and being eligible offer themselves for reappointment as per the terms of his earlier appointment, is proposed to be appointed as an Independent Director liable to retire by rotation. Your Board recommends the said appointment. Brief resume and details of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting are included in the Annual Report. Your Board recommends their reelection.

#### AUDITORS

The Statutory Auditors M/s Pratapkar Paul & Co, Chartered Accountants, Chennai, having Firm Registration (ICAI Registration No.002777S), holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment. Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Your Board is of the opinion that continuation of M/s Pratapkar Paul & Co, Chartered Accountants, Chennai as Statutory Auditors during FY 2014-15 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till next Annual General Meeting at remuneration as may be decided by the Board.

**DIRECTOR'S REPORT****AUDITOR'S REPORT**

The Auditor's Report to the members does not contain any qualification or adverse remarks on the financial reporting and disclosure of the Company (except on revaluation of land).

**REPLY TO THE AUDITOR'S REMARKS :**

This is with regard to the audit remarks made by the statutory Auditor of the Company in their Report. Your Directors would like to inform that during the year, the fixed asset Land holding of the company was revalued, in order to reflect the true and fair presentation of the value of the asset in the financial statements and there are no material changes in the financial statements due to the revaluation of land.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

**COST AUDIT COMPLIANCE**

Pursuant to the Cost Audit Order as notified by the Ministry of Corporate Affairs (Cost Audit Branch) vide circular dated May 2, 2011 read with Cost Accounting Records (Telecommunication Industry) Rules 2011 as notified by the Ministry of Corporate Affairs (MCA) vide GSR 869(E) dated December 7, 2011, the Company has appointed, Mrs. Subhashini, Practicing Cost Accountant as the Cost Auditor of the Company for the financial year 2013-14 for conducting the audit of the Cost Records of the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company is into the business of Broadcasting of General Entertainment Television Channels. Since this business does not involve any manufacturing activity, most of the Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable. Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of foreign currency earnings and outgo during the year are given in Notes 2.10 to the Accounts forming part of the Annual Accounts.

**PARTICULARS OF EMPLOYEES**

Your Company had 515 employees as of March 31, 2014 as against 313 employees as of March 31, 2013 and your company provided additional employment opportunity to 202 people and empowered the human resource assets during the year. The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended requires your company to disclose the particulars of employees who are in receipt of remuneration of Rs. 60 lakhs or more per annum and those who were in receipt of remuneration of Rs. 5 lakhs or more per month. However, during the financial year under review, company does not come under the purview of the above said compliance.

**SHAREHOLDING OF DIRECTORS/PROMOTERS AND PROMOTER GROUP**

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

**PLEDGING OF THE SHARES BY THE PROMOTERS:**

As required under SEBI (Substantial Acquisition and Take over) Regulation, 1997, the Promoters, promoter group and the Persons acting in concert representing Promoters and promoter Group have pledged shares to the tune of 5,00,000 shares during the financial year.

**SHARES IN SUSPENSE ACCOUNTS:**

As required under Clause 5A of the Listing Agreement, 2 shareholders and 464 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, 2014 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.

**ACKNOWLEDGEMENTS**

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company and its subsidiaries across the world at all levels that has contributed to your Company's success and remain in the forefront of media and entertainment business.

Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges and Depositories and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors and service providers.

For and on behalf of the Board of Directors

Raajhendhran M                      M Rajartahinam                      Place: Chennai  
Managing Director                      Director & CEO.,                      Date: July 29<sup>th</sup>, 2014

## DIRECTOR'S REPORT- ANNEXURE

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The Indian Media and Entertainment (M&E) Industry, one of the most vibrant and exciting industries in the world, has had a tremendous impact on the lives and the Indian economy. As the M&E industry widens its reach, it plays a critical role in creating awareness on issues affecting, channelling the energy of and building aspirations among India's millions. As it entertains and informs the country, the M&E industry has been a catalyst for the growth of large parts of the Indian economy. Television in India is the most preferred entertainment medium with the highest impact of advertising on the audiences. India has the third largest TV households globally, second to only China and the US. However, the digital TV penetration in India is very low at 36% as compared to more than 90% in countries such as Finland, Spain, UK, Bahrain, Saudi Arabia. As a means to bring addressability into the system, the Ministry of Broadcasting recently accepted the recommendations made by telecom Regulatory Authority of India (TRAI) on the sunset of analog transmission in India by 2014. Adherence to the sunset date would certainly have a positive impact on the media content distribution sector in India. Digitalization is not only expected to help players in the television value chain to realize the true potential of their content, but also to cater to the unique and diverse needs of the viewer when it comes to entertainment. Broadcasters will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation. Niche and specialist channels will now be able to launch and grow since the shortage of bandwidth created by analogue cable systems no longer hold true. Today, India's M&E industry reaches millions of people. 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2000 multiplexes, 214 million internet users out of which 130 million are mobile internet users – all these are platforms that could drive change and be transformational catalysts (as per FICCI-KPMG Indian Media and Entertainment Industry Report 2014). In television, industry structures began the process of realignment, with MSOs and LCOs in a delicate dance to evolve their relationship. Several regulations including the ad cap and notifications around aggregators were announced, that will likely change how the industry does business. Digitisation has yet to deliver its promise with set top boxes seeded in Phase I and II cities but with packaging and ARPU increases yet to kick in. The future though, looks promising, with efforts being made to introduce channel packaging, implement subscriber management systems and raise the ARPU – initiatives that are likely to benefit all the stakeholders in the television ecosystem.

### COMPANY OVERVIEW & BUSINESS PROFILE

Raj Television Network Limited (BSE:532826 and NSE: RAJTVEQ) is one of the largest Tamil television and broadcasting Company in southern region. The Company incorporated in 1994, broadcasts twelve channels presently in various southern languages. Raj TV, its flagship television channel launched in 1994 was the first general entertainment channel of the Company. The Company gets its revenue primarily from advertisement and subscription of channels. The Company has also rolled into movie production and distribution business. Raj television network limited channel portfolio, across various genres in the Indian market, includes:

Tamil Language - Raj TV, Raj Digital Plus , Raj Musix , Raj News , Raj Asia ,  
Telugu Language- Raj Musix , Raj News , VISSA ,  
Malayalm Language - Raj Musix, Raj News,  
Kannada language - Kannada Music & Kannada News  
Hindi Language - Raj Pariwar.

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

### OPPORTUNITIES

The subscription revenue of the Company are expected to grow because of availability of various distribution platforms like cable, DAS, CAS, DTH, OTT TECHNOLOGY , VOD etc. Further, the introduction of the much awaited cable digitisation in 2012 will be resulting in the much needed transparency in the industry and this efforts have translated into enhanced subscription revenues for broadcasters and make them less dependent on advertising and drive higher value creation. Broadcasters will be relieved from paying huge sums as carriage fee, thereby increasing profitability and enabling them to focus on better content creation. At the same time, subscription revenues will increase for broadcasters and make them less dependent on advertising and drive higher value creation.

## DIRECTOR'S REPORT- ANNEXURE

### THREATS:

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

### OUTLOOK:

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

### SEGMENT:

The Company operates in "Broadcasting" segment

### COMPANY FINANCIALS:

The Company achieved revenue of Rs. 8053.81 Lakhs as against Rs. 6827.13 lakhs in the previous year. Net profit after tax stood at Rs. 1291.21 lakhs as compared to Profit after tax of Rs. 928.62 Lakhs in the previous year.

### EARNINGS PER SHARE (EPS):

Earning per share during the year ended 31.03.2014 is Rs. 2.49 as against Rs. 1.79 (adjusted EPS) in the corresponding previous year 31.03.2013.

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

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

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

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

### 1. COMPANY'S PHILOSOPHY:

The corporate governance of the Company is based on the principles of good corporate citizenship which includes transparency, accountability and commitment to the organization and stake holders. The Company always commits and obliges to values, ethical business conduct and making a distinction between personal & corporate funds in the management of a Company. The Company as ongoing concern basis takes continuous steps for corporate excellence and continuous value addition to its overall growth. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. In this pursuit, Company's philosophy is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

### 2. BOARD OF DIRECTORS:

#### Board Composition:

Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors to ensure independent functioning. The Board consists of eight Directors including Non- Executive Directors of eminent personalities with expertise in business, finance, taxation, legal and administration. 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, 2014 are given below:

#### REPORT ON CORPORATE GOVERNANCE

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.*
		Held	Attended		
Mr. Raajhendhran M.	MD	4	4	Yes	1
Mr. M. Rajaratnam	WTD	4	4	Yes	1
Mr. M. Ravindran	WTD	4	4	Yes	1
Mr. M. Regunathan	WTD	4	4	Yes	1
Mr. D. R. Kaarthikeyan	NEID	4	3	Yes	11
Mr. A. Arjuna Pai	NEID	4	4	Yes	Nil
Mr. R. Rajagopalan	NEID	4	2	Yes	Nil
Dr. Mohan Kameswaran	NEID	4	2	No	Nil

\* Directorships in other public limited companies

\*\* Committee memberships considered are of other companies only and those as required under the Code of Corporate Governance.

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

## REPORT ON CORPORATE GOVERNANCE

### 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 May 27-2013, July 31-2013, October 31, 2013 and January 28, 2014.

### 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
Mr. R. Rajagopalan	Member- Independent & Non Executive Director	4	2
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 May 27-2013, July 31-2013, October 31, 2013 and January 28, 2014. 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. 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 May 27, 2013. Statutory Auditor of the Company attended the meeting as invitee of the Committee. The Company Secretary is the Secretary of the Committee. Considering the performance made during the financial year 2012-13, the remuneration of the managerial personnel was revised during the Financial year 2013-14 to the tune of 12% as yearly increment, which was approved in the AGM held on 30<sup>th</sup> September 2011.



## REPORT ON CORPORATE GOVERNANCE

**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	01-04-2013 to 31-03-2014	40,75,500/-per annum
Mr. M. Rajaratnam, Director	01-04-2013 to 31-03-2014	40,75,500/-per annum
Mr. M. Ravindran, Director	01-04-2013 to 31-03-2014	40,75,500/-per annum
Mr. M. Regunathan, Director	01-04-2013 to 31-03-2014	40,75,500/-per annum

During the year under review, the Company has paid sitting fees of Rs. 10,000 per Director for attending Board meeting and Rs.5,000 per Director for attending Committees 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 May 27, 2013. 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

The Auditor's Report to the members does not contain any qualification or adverse remarks on the financial reporting and disclosure of the Company (except on revaluation of land).

#### REPLY TO THE AUDITOR'S REMARKS :

This is with regard to the audit remarks made by the statutory Auditor of the Company in their Report. Your Directors would like to inform that during the year, the fixed asset Land holding of the company was revalued, in order to reflect the true and fair presentation of the value of the asset in the financial statements and there are no material changes in the financial statements due to the revaluation of land.

### 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.

## REPORT ON CORPORATE GOVERNANCE

### 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	Period	Date	Time
2010-2011	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 30, 2011	10.00 A.M.
2011-2012	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	July 30, 2012	10.00 A.M.
2012-2013	Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004	September 30, 2013	10.00 A.M.

### EXTRAORDINARY GENERAL MEETING:

Extraordinary General Meeting of the Members of the company was held on Friday, the 14<sup>th</sup> March 2014, at Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004, at 10.00 A.M., and in the EGM the approval of the Members was granted to the company for increasing the Authorised Capital from Rs.15 crores to Rs.30 crores and issue of bonus shares in the ratio of one equity share for every one equity share held in the share capital of the company.

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. The Company has implemented formal Whistle Blower policy and no personnel have been denied access to the Audit Committee of the Company.

### 12. RISK MANAGEMENT:

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

### 13. MEANS OF COMMUNICATION:

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

## REPORT ON CORPORATE GOVERNANCE

## 14. GENERAL SHAREHOLDERS INFORMATION

1. Date, time and Venue of Annual general Meeting	Friday, the 19 <sup>th</sup> September 2014, 10.00AM, Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600 004.
2. Financial year	2013-2014
3. Date of Book Closure	10. 09. 2014 to 19. 09. 2014 (Both days 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.	INE952H01027
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
10. Share Transfer System	The Company has appointed M/S Cameo Corporate Services Limited as Common Registrar and Share Transfer Agent (RTA) for both physical and dematerialized shares. All requests received by the Company/ RTA for dematerialization, rematerialization, transfer, transmission, subdivision, consolidation of shares or any other related matters are disposed off expeditiously within time.

15. SHARE HOLDING PATTERN: DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH 2014.

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	7450	94.9407	1291759	6458795	2.4882
5001 - 10000	158	2.0135	244786	1223930	0.4715
10001 - 20000	76	0.9685	234101	1170505	0.4509
20001 - 30000	18	0.2293	89700	448500	0.1727
30001 - 40000	13	0.1656	94060	470300	0.1811
40001 - 50000	14	0.1784	127288	636440	0.2451
50001 - 100000	26	0.3313	372643	1863215	0.7178
100001 - And Above	92	1.1724	49459007	247295035	95.2722
<b>Total :</b>	<b>7847</b>	<b>100</b>	<b>51913344</b>	<b>259566720</b>	<b>100</b>

## REPORT ON CORPORATE GOVERNANCE

## STATUTORY INFORMATION AND DISCLOSURES

## 16. SHARE HOLDING PATTERN:

CATEGORY BREAKUP-As on (T - NSDL & CDSL & PHYSICAL Account)  
Physical Date: (31-Mar-2014) and Ben Date: (31-Mar-2014)

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Resident	7459	10840407	20.88
FI	1	1704	0.00
FII	6	656368	1.26
NRI	41	18947	0.04
Corporate Body	236	4978251	9.59
Clearing Member	93	479015	0.92
Mutual Funds	1	328	0.00
Trusts	2	70004	0.13
Promoters	8	34868320	67.17
<b>TOTAL</b>	<b>7847</b>	<b>51913344</b>	<b>100</b>

## 17. PARTICULARS OF SHAREHOLDING:

## A) Promoter Shareholding as on March 31, 2014

SLNO	Name of the holder	Number of shares	% OF HOLDINGS
1	RAJARATHNAM M	58,63,808	11.3
2	RAAJHEDHRAN M	58,63,808	11.3
3	RAGHUNATHAN M	58,63,808	11.3
4	RAVINDRAN M	43,03,808	8.29
5	AMUDHA R	35,43,284	6.83
6	ARUNA R	35,43,268	6.83
7	USHA RANI R	35,43,268	6.83
8	R VIJAYALAKSHMI	23,43,268	4.51
	Total	3,48,68,320	67.19

## B). Top ten (10) Public Shareholding as on March 31, 2014

SLNO	FOL/DPID	CLIENTID	HOLDER NAME	SHARES	PERCENTAGE
1	12036600	2540	MAVERICK SHARE BROKERS LIMITED	1239044	2.39
2	12039000	76488	KIRAN KUMAR. M	1200000	2.31
3	12023000	133978	HEMA KIRAN KUMAR	808000	1.56
4	12023000	239081	M KIRAN KUMAR	744692	1.43
5	12010600	2306794	SANGEETHA .	681421	1.31
6	IN300175	10324597	SRI BABA THEATRES PRIVATE LIMITED	600000	1.16
7	12039000	76659	NARESH KUMAR CHHAJER HUF	446896	0.86
8	12039000	19631	LALIT KUMAR CHORDIA & SONS(HUF)	423272	0.82
9	12036300	297	SUNTECK WEALTHMAX CAPITAL PRIVATE LIMITED	410300	0.79
10	12039000	2330	SUNITHA DEVI CHORDIA .	381800	0.74

## REPORT ON CORPORATE GOVERNANCE

## STATUTORY INFORMATION AND DISCLOSURES

## 18-STOCK MARKET DATA RELATING TO SHARES LISTED IN INDIA

Monthly high and low quotations and volume of shares traded on Stock Exchanges for financial year 2013-2014 are:

## Equity shares

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume of Share Traded
Apr -13	242	153	10,13,119	244.4	156	9,16,342
May -13	321.65	227.1	1306481	322.4	236	9,88,734
Jun -13	347.9	311.65	8,21,737	350	313.1	8,44,107
Jul -13	403	334	5,41,926	407	333.3	4,18,800
Aug -13	402.9	342.05	3,96,109	402.75	342.05	4,34,567
Sep -13	442	390	11,66,760	443.8	385	12,27,458
Oct -13	479.35	435	14,57,651	476	432.5	13,60,451
Nov -13	484	469.8	12,28,262	497.6	400	12,45,546
Dec -13	487.75	420	12,84,172	500	455.15	13,69,531
Jan -14	610.1	483.2	15,60,995	550	484.1	16,19,763
Feb -14	569.9	525.6	13,77,522	649	517.25	14,85,020
Mar -14	580	147.35*	2547203	588	146*	22,44,326

\*During the Year 13-14, Company Split the Equity shares of Rs.10 each in to Two Equity shares of Rs. 5 /- each and allotted bonus Shares @ ratio of 1:1 by capitalising the Security Premium reserves of the Company.

Particulars	As at March 31 <sup>st</sup> 2014		As at March 31 <sup>st</sup> 2013	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Issued Equity Shares				
Opening Balance	1,29,78,336	12,97,83,360	1,29,78,336	12,97,83,360
Changes During the Year				
i) Split of shares from Rs.10 to Rs.5 each	2,59,56,672	-		
ii) Bonus Issue	2,59,56,672	12,97,83,360	-	-
Closing Balances	5,19,13,344	25,95,66,720	1,29,78,336	12,97,83,360



## REPORT ON CORPORATE GOVERNANCE

## 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 31.03.2014, 51912886 numbers of shares representing 99.99% of the total shares of the Company are in dematerialized form and 458 shares are held in physical form. 100% of the promoter's holdings are held in dematerialized form, in compliance to SEBI guidelines.

AS AT 31.03.2014				
No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Shares pledged or otherwise encumbered	
7847	51913344	51912886	500000	0.96

## 20. During the year the Company has issued securities:-

During the year under review, Company on the occasion of completion of 20 years of broadcasting business, with the approval of the shareholders at the EGM, the authorised capital of the company was increased from 15 crores to 30 crores and reclassified the face value of the equity shares from rupees ten fully paid up to rupees five fully paid up and had allotted 25956672 equity shares at the rate of 1:1 as fully paid up Bonus Shares. The said Bonus Shares were listed and admitted for trading in BSE Limited and National Stock Exchange of India Limited on 29<sup>th</sup> March 2014. The Company has not issued any shares except Bonus Shares or any other security including DR/GDR/FCCB/Warrants during the year 2013-2014.

## 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  
Website: www.rajtvnet.in and www.rajtv.in

## 22. DIVIDEND &amp; CORPORATE ACTIONS

The Board of Directors have recommended payment of final dividend @ Re. 0.25 per share on paid up value of ` Re 5/- per share and such Dividend shall be payable upon approval by the Members of the Company .

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 10<sup>th</sup> September 2014 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on September 19, 2014.

## CORPORATE ACTIONS DURING THE YEAR

Purpose	Rs.	Ex-date	Book Closure/Record Date
Final Dividend	0.25	08-Sep-14	BC 10/09/2014-19/09/2014
BONUS 1:1	--	25-Mar-14	RD 26/03/2014
Stock Split from Rs. 10/- to Rs.5/-	--	25-Mar-14	RD 26/03/2014
Interim Dividend	0.5	13-Feb-14	RD 14/02/2014
Final Dividend	1	20-Sep-13	BC 24/09/2013-30/09/2013

## DIVIDEND HISTORY

Announcement Date	Effective Date	Dividend Type	Dividend (%)	Remarks
14-05-14	08-09-14	Final	5.00	Rs.0.2500 per share(5%)Final Dividend
28-01-14	13-02-14	Interim	5.00	Rs.0.5000 per share(5%)Interim Dividend
27-05-13	20-09-13	Final	10.00	Rs.1.0000 per share(10%)Final Dividend
30-04-12	20-07-12	Final	10.00	Rs.1.00 per share(10%)Dividend
29-07-08	19-09-08	Final	15.00	AGM
30-07-07	17-09-07	Final	10.00	Rs.1.0000 per share(10%)Final Dividend

## REPORT ON CORPORATE GOVERNANCE

## 23. VOTING RIGHTS

E -Votting facility organised during the forth coming AGM.At the AGM votting by Poll will be taken.

## 24. SHARES IN SUSPENSE ACCOUNTS

As required under Clause 5A of the Listing Agreement, 2 shareholders and 464 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, 2014 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.

Chennai-600 018  
Date: 29<sup>th</sup> July.2014

On behalf of the Board  
Raajhendhran M  
Chairman

## SECRETARY RESPONSIBILITY STATEMENT

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

1. maintained all the books of account and statutory registers required under the Companies Act, 1956 ("the Act") and the rules made there under;
2. 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;
3. 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;
4. conducted the board meetings and annual general meeting as per the Act
5. complied with all the requirements relating to the minutes of the proceedings of the meetings of the directors and the shareholders;
6. made due disclosures required under the act including those required in pursuance of the disclosures made by the directors;
7. obtained all the necessary approvals of directors, shareholders, the central government and other authorities as per the requirements;
8. effected share transfers and dispatched the certificates within the statutory time limit;
9. 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;
10. 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 Companies act, 2013 and other related statutes in force.

Chennai-600 018  
Date: 29<sup>th</sup> July.2014

JOSEPH CHERIYAN  
Company secretary & Compliance Officer.

## REPORT ON CORPORATE GOVERNANCE

## 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 31,2014, 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.

Chennai-600 018  
Date: 29<sup>th</sup> July.2014

For Raj Television Network Limited  
Raajhendhran M  
Chairman

## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE YEAR 2013-14

To,  
The Board of Directors  
Raj Television Network Ltd

In relation to the audited accounts of the Company as at 31st March, 2014 we hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year 2013-14 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.

Chennai-600 018  
Date: 29<sup>th</sup> July.2014

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



## AUDITOR'S CERTIFICATE

## 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<sup>st</sup> 2014 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.

Date : 13-May-14  
Place : Chennai

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

## INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF RAJ TELEVISION NETWORK LIMITED

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Raj Television Network Limited ('the Company') which comprise the Balance Sheet as at 31 March, 2014, Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards in Section 211(3C) of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

## QUALIFIED OPINION

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

- i) in case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014- except to the extent of Rs. 442,045,618/- on revaluation of land as disclosed in additional Information to financial Statements, Part H;
- ii) in case of Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003, and CARO (Amendment), 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.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Profit and Loss Account, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 read with General circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) on the basis of written representations received from the directors as on 31 March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

## INDEPENDENT AUDITOR'S REPORT

## ANNEXURE TO AUDIT REPORT

The Annexure referred to in our report to the members of RAJ TELEVISION NETWORK LIMITED ("the Company) for the year ended 31<sup>st</sup> March 2014. We report that:

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:

- i) 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) Fixed Assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii) The Company is a service company, primarily rendering 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.
- iii) 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. Accordingly, paragraphs 4(iii)(a) to 4(iii)(d) of the Order are not applicable.
- 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 Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
- iv) 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 with regards to purchase of Fixed Assets and for the sale of Services. We have not observed any major weakness in the internal control system during the course of the audit.
- v) 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.
- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) As explained to us, the Central Government has not prescribed maintenance of Cost Record under section 209 (1) (d) of the Act for any of the services rendered by the company.
- ix) a) According to the information and explanation given to us and the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and other material statutory dues have been regularly deposited during the year by the Company with 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 other material 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, other material statutory dues, which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xi) 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 during the year.
- xii) 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.
- xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund/nidhi/mutual benefit fund/society.
- xiv) As explained to us, the company is not dealing in or trading in shares, securities debentures and other investments.
- xv) 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.
- xvi) In our opinion, term loans are applied for the purpose of which they were obtained.
- xvii) 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.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) The Company has not issued debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For PRATAPKARAN PAUL & CO.,  
Chartered Accountants,  
Firm Regn No.002777S

Pratapkaran Paul  
Partner  
M.No.023810

Date : 13-May-14  
Place : Chennai

## BS

## RAJ TELEVISION NETWORK LIMITED

No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018  
BALANCE SHEET AS AT 31.03.2014

A	EQUITY AND LIABILITIES	Sch No.	As at Year end 31.03.2014	As at Year end 31.03.2013
1	Shareholder' Funds	3	25,95,66,720	12,97,83,360
	(a) Share Capital	4	1,31,36,66,034	89,49,57,513
	(b) Reserve and surplus		-	-
	(b) Money Received against Share Warrants		1,57,32,32,754	1,02,47,40,873
2	Share Application money pending allotment		-	-
3	Non Current Liabilities			
	(a) Long Term Borrowings	5	12,49,14,657	7,05,35,223
	(b) Deferred tax Liabilities (Net)	6	6,93,35,602	6,17,84,745
	(c) Other Long Term liabilities	7	2,37,94,254	3,72,63,996
			21,80,44,513	16,95,83,964
4	Current Liabilities			
	(a) Short Term Borrowings	8	24,97,42,077	7,09,25,903
	(b) Trade Payables	9	2,62,84,133	3,48,39,300
	(c) Short Term Provisions	10	3,13,61,102	2,40,73,700
	(d) Other Short Term liabilities	11	6,65,41,823	6,76,11,297
			37,39,29,135	19,74,50,200
	TOTAL - EQUITY AND LAIBILITIES		2,16,52,06,402	1,39,17,75,035
B	ASSETS			
1	Non - Current Assets			
	(a) Fixed Assets	12	1,13,98,53,762	64,18,13,041
	(b) Non Current Investments	13	1,11,67,665	1,10,16,380
	(c) Deferred Tax assets ( Net)		-	-
	(d) Long term Loans and Advances	14	20,77,86,196	18,88,95,262
	(e) Other Non-Current Assets	15	2,99,39,677	1,55,14,199
			1,38,87,47,300	85,72,38,882
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	16	11,65,21,005	2,02,15,450
	(c) Trade Receivables	17	58,27,04,284	42,79,85,899
	(d) Cash and Cash Equivalents	18	7,72,33,814	8,63,34,805
	(e) Short term Loans and advances		-	-
	(f) Other Current Assets		-	-
			77,64,59,103	53,45,36,154
	Total		2,16,52,06,402	1,39,17,75,035

## Notes Forming Part of the Financial Statements

As per our report of even date  
For Pratapkaran Paul & Co.,  
Chartered Accountants.,  
Firm Regn No.002777S

For and on behalf of the Board of directors

Pratapkaran Paul  
Partner  
Membership No.023810  
13-May-14  
Chennai

Rajhendhran.M  
Managing Director  
DIN: 00821144

Rajarathinam.M  
Director  
DIN:00839174

Joseph Cheriyan  
Company Secretary  
Membership No:26524

## PL

**RAJ TELEVISION NETWORK LIMITED**  
No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018  
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014

C. INCOME	Sch No.	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
(a) Revenue from Operations	19	79,46,54,767	67,52,73,272
(b) Other Income	20	1,07,26,242	74,40,641
<b>Total Income from Operations</b>		<b>80,53,81,009</b>	<b>68,27,13,913</b>
D. EXPENDITURE			
(a) Cost of revenue	21	23,72,21,267	26,81,93,136
(b) Employee Benefit Expenses	22	17,60,41,667	11,67,50,877
(c) Depreciation and Amortisation Expenses	12	3,95,71,017	3,67,71,124
(d) Finance Cost	23	4,67,59,401	3,87,19,417
(e) Administrative and other Expenses	24	14,68,81,245	12,57,10,592
<b>Total Expenses</b>		<b>64,64,74,597</b>	<b>58,61,45,145</b>
Profit/ (Loss) before exceptional and extraordinary items and tax		15,89,06,412	9,65,68,768
Exceptional Items		-	-
Profit/ (Loss) before extraordinary items and tax		15,89,06,412	9,65,68,768
Extraordinary Expenses		-	-
Profit / (Loss) before tax		15,89,06,412	9,65,68,768
- Current Year Tax		3,18,84,243	1,93,21,238
- MAT Credit Entitlement		(96,50,575)	(1,93,21,238)
- Deferred Tax Current Year		75,50,857	37,06,397
- Current tax Expenses relating to previous years		-	-
<b>Profit / (Loss) After tax</b>		<b>12,91,21,886</b>	<b>9,28,62,371</b>
Nominal Value of Share (in Rs)		5.00	10.00
Net profit attributable to equity shareholders		12,91,21,886	9,28,62,371
Weighted Average Number of Shares Outstanding (***)		5,19,13,344	1,29,78,336
Basic and diluted EPS before Extra Ordinary item(in Rs)		2.49	7.16
Basic and diluted EPS after Extra Ordinary item(in Rs)		2.49	7.16
Adjusted EPS (***)			1.79

## Notes Forming Part of the Financial Statements

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 Regn No.002777S

For and on behalf of the Board of directors

Pratakaran Paul  
Partner  
Membership No.023810  
13-May-14  
Chennai

Raajhendhran.M  
Managing Director  
DIN: 00821144

M.Rajarathinam  
Director  
DIN:00839174

Joseph Cheriyan  
Company Secretary  
Membership No:26524

## CF

**RAJ TELEVISION NETWORK LIMITED**  
No. 32, Poes Road, II Street, Teynampet, Chennai - 600 018  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014**

PARTICULARS		As on 31.03.2014	As on 31.03.2013
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
1	Net Profit Before Tax and extra Ordinary Items	15,89,06,412	9,65,68,768
	Adjustments for:		
2	Loss / (Profit) on sale of asset	-	-
3	Depreciation and amortization	3,95,71,017	3,67,71,124
4	Dividend on Long term Investments	(5,61,716)	(95,000)
5	Loss on sale of Long term Investments	28,686	1,28,95,892
6	Interest paid	4,67,59,401	3,87,19,417
	<b>Operating Profit before working capital Changes</b>	<b>24,47,03,800</b>	<b>18,48,60,200</b>
	Adjustments for :		
7	Inventories	(9,63,05,555)	4,04,50,000
8	Trade Receivables	(15,47,18,385)	(5,41,81,830)
9	Long term Loan and Advances	(5,55,50,080)	(1,53,31,958)
10	Short term Loan and Advances	-	17,71,127
11	Other Long Term liabilities	(1,34,69,742)	13,38,708
12	Trade Payables	(85,55,167)	1,40,86,931
13	Short Term Provisions	72,87,402	12,94,096
14	Other Short Term liabilities	(10,69,474)	3,31,16,452
	Cash generated from Operation	(7,76,77,202)	20,74,03,725
15	Direct Tax	-	-
	<b>Net Cash from Operating Activities</b>	<b>(7,76,77,202)</b>	<b>20,74,03,725</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
1	Sale of Assets	5,01,271	-
2	Purchase of Fixed Assets	(9,60,67,391)	(15,17,53,779)
3	Purchase of Shares	(35,67,159)	(68,10,55,244)
4	Sale of Shares	33,87,190	67,02,55,244
5	Dividend on long term investments	5,61,716	95,000
6	Loss on sale of long term investments	-	-
	<b>Net cash from Investing Activities</b>	<b>(9,51,84,373)</b>	<b>(16,24,58,779)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
1	Borrowal / (Repayment) of long term Borrowings	23,31,95,608	16,72,713
2	Interest	(4,67,59,401)	(3,87,19,416)
3	Dividend & dividend tax paid	(2,26,75,623)	(1,50,84,070)
	<b>Net cash from Financing Activities</b>	<b>16,37,60,585</b>	<b>(5,21,30,773)</b>
	<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(91,00,991)</b>	<b>(71,85,826)</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>8,63,34,805</b>	<b>9,35,20,631</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>7,72,33,814</b>	<b>8,63,34,805</b>

## Notes :

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

Pratapkarana Paul  
Partner  
Membership No.023810  
13-May-14  
Chennai

Raajhendhran.M  
Managing Director  
DIN: 00821144

Rajarathinam.M  
Director  
DIN:00839174

Joseph Cheriyan  
Company Secretary  
Membership No:26524

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 3 Share Capital	As at March 31st 2014		As at March 31st 2013	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
a. Authorised Capital 60,000,000 Equity Shares of Rs.5 each. (Previous year - 15,000,000 Equity Shares of Rs.10 each.)	6,00,00,000	30,00,00,000	1,50,00,000	15,00,00,000
b. Issued, Subscribed and fully paid up 5,19,13,344 Equity Shares of Rs.5 each. (Previous Year - 12,978,336 Equity Shares of Rs.10 each.)	5,19,13,344	25,95,66,720	1,29,78,336	12,97,83,360
	5,19,13,344	25,95,66,720	1,29,78,336	12,97,83,360

Refer Notes (i) to (iv) below:

Notes:

- i) The Company has only one class of equity Share having a par value of Rs.5 per share (Previous year Rs.10 per share). Each Share holder is eligible for one Vote Per Share. The Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31 <sup>st</sup> 2014		As at March 31 <sup>st</sup> 2013	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Issued Equity Shares				
Opening Balance	1,29,78,336	12,97,83,360	1,29,78,336	12,97,83,360
Changes During the Year				
i) Fresh Issue	-	-	-	-
ii) Split of shares from Rs.10 to Rs.5 each	2,59,56,672	12,97,83,360		
iii) Bonus Issue	2,59,56,672	12,97,83,360		
<b>Closing Balances</b>	<b>5,19,13,344</b>	<b>25,95,66,720</b>	<b>1,29,78,336</b>	<b>12,97,83,360</b>

- i) 1,29,78,336 shares were originally issued at Rs.10 per share as fully paid towards purchase consideration to the shareholders and in the current financial year these shares were split into 2,59,56,672 shares of Rs.5 each/-
- ii) 2,59,56,672 shares were allotted as Bonus shares for consideration other than cash
- iii) Details of shares held by each shareholder holding more than 5% shares in the company

Particulars	As at March 31st 2014		As at March 31st 2013	
	No of Shares	% of Shares	No of Shares	% of Shares
M Raajhendhran	58,63,808	11.30%	14,65,952	11.30%
M Raghunathan	58,63,808	11.30%	14,65,952	11.30%
M Rajarathinam	58,63,808	11.30%	14,65,952	11.30%
M Ravindran	43,03,808	8.29%	12,65,952	9.75%
R Amudha	35,43,284	6.83%	8,85,821	6.83%
R Aruna	35,43,268	6.83%	8,85,817	6.83%
R Usharani	35,43,268	6.83%	8,85,817	6.83%
R Vijayalakshmi	23,43,268	4.51%	8,85,817	6.83%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Current Year Rs.5 Per equity Share. (Previous Year Rs.10 Per equity Share)

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	As at March 31st 2014 No of Shares	As at March 31st 2013 No of Share
Equity shares allotted as fully paid up by way of bonus	2,59,56,672	-

Note - 4 : Reserves and Surplus	As at March 31st 2014	As at March 31st 2013
(i) Securities Premium Account		
Balance as per the Last financial statements	56,16,02,418	56,16,02,418
Less: Transferred to share capital towards bonus shares	12,97,83,360	-
	<b>43,18,19,058</b>	<b>56,16,02,418</b>
(ii) Revaluation Reserve		
Land Revalued	44,20,45,618	-
	44,20,45,618	
(iii) Profit and Loss Account		
Balance as per last financial statements	30,81,18,450	23,96,26,387
Add : Profit transferred from Profit & Loss Account	12,91,21,886	9,28,62,371
	43,72,40,336	33,24,88,758
Less: Appropriations		
Interim Dividend (Rs.0.50/- per share Previous year Rs.Nil)	64,89,168	-
Tax on Interim Dividend	11,02,384	-
Proposed final Dividend (Rs.0.50/- Per share previous year Rs.1/- per share)	1,29,78,336	1,29,78,336
Tax on Proposed Dividend	21,05,735	21,05,735
Amount transferred to General Reserve	1,29,12,189	92,86,237
Net surplus in the statement of profit and loss	<b>40,16,52,525</b>	<b>30,81,18,450</b>
(iv) General reserve Transferred from the profit & loss A/c		
Balance as per the last financial statements	2,52,36,645	1,59,50,408
Add : Amount transferred from Statement of Profit & Loss Account	1,29,12,189	92,86,237
Balance at the end of year	3,81,48,834	2,52,36,645
Total Reserves and Surplus	<b>1,31,36,66,034</b>	<b>89,49,57,513</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 5 :Long Term Borrowings	As at March 31st 2014	As at March 31st 2013
Secured Term Loans from bank	12,29,24,277	6,54,49,437
Secured Vehicle Loan from bank ( Please refer Note below for security and terms of repayment)	19,90,380	50,85,786
<b>Total</b>	<b>12,49,14,657</b>	<b>7,05,35,223</b>
Nature of Security & Terms of Repayment	As at March 31st 2014	As at March 31st 2013
(i) This term loan from Bank carries interest @ 14.25% p.a. and is repayable in 16 Quarterly installments commencing from May'2012. The term loan is secured primarily by project 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, IInd street, Teynampet, Chennai 600 018.	5,63,60,690	5,35,62,205
(ii) This term loan carries Base rate + 3.75% interest and repayable in 120 months EMI of Rs.3,27,000/- each. The term loan is secured by mortgage of 2550 sq ft building at Door No.53/1 and 53/2, New No.06, Poes Main Road, Teynampet, Chennai - 600018.	2,00,32,723	-
(iii) This term loan from Bank carries Base Rate + 3.75 % interest and is repayable in 24 monthly installments. The term loan is secured primarily by Hypothecation of machinery proposed to be purchased at a cost of Rs. 7 crores, and EMT of land and building proposed to be purchased at cost of Rs. 11 crores. (Plot no.656/1,no.403/1(old),120(new) of Shaikpet village measuring 683 sq.yards situated at 34 Jubilee Hills, Hyderabad.	2,07,98,650	76,00,077
(iv) This Vehicle loan from Bank carries interest @ 10% p.a. and is repayable in 60 monthly installments. The term loan is secured primarily by is secured by Hypothecation of Vehicle.	7,33,622	11,64,685
(v) This Vehicle loan from Bank carries interest @ 12% p.a. and is repayable in 60 monthly installments. The term loan is secured primarily by is secured by Hypothecation of Vehicle.	53,24,458	80,65,145
Note - 6 : Deferred Tax Liabilities (Net)	As at March 31st 2014	As at March 31st 2013
Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from:		
"Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting"	6,17,84,745	5,80,78,348
	75,50,857	37,06,397
<b>Total</b>	<b>6,93,35,602</b>	<b>6,17,84,745</b>
Note - 7 : Other Long Term liabilities	As at March 31st 2014	As at March 31st 2013
(a) Other Payables (Other Payables comprises of Interest free deposits from customers and Long term Capital under disputes and litigations)	2,25,00,000	3,00,43,178
(b) Provision for gratuity	12,94,254	72,20,818
<b>Total</b>	<b>2,37,94,254</b>	<b>3,72,63,996</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 8 : Short Term Borrowings	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
Secured Working Capital Facility from Bank ( Please refer note below for security details)	24,97,42,077	7,09,25,903
<b>Total</b>	<b>24,97,42,077</b>	<b>7,09,25,903</b>
Nature of Security	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
"The working Capital loan is secured primarily by Hypothecation of Book Debts and collateral securities at: 1. Freehold land (undivided share of land: 3650 Sq ft) and building at New No.32 (old No.13B), Poes Road, II Street, Teynampet, Chennai – 18 in the names of Shri Mani Rajendran, Shri Mani Raveendran, Shri Mani Rajaratnam and Sri Mani Raghunathan. 2. Freehold Land (Extent of site : 5170 Sq Ft) and Shed at New No.26 (Old No.15), Poes Road II Street, Teynampet, Chennai – 18 in the name of M/s. Raj Television Network limited. 3. L & B admeasuring 3800 Sq ft at Old No.14, New No.28, Poes Road, II Street, Teynampet, Chennai in the name of the company 4. L & B admeasuring 3950 Sq ft at Old No. 13, New 30, Block No.28, Poes Road, II Street, Teynampet, Chennai in the name of the company, and personal guarantees of whole time directors. 5. Vacant Land measuring 7647 sq ft located at Old No.51 & 52, New No.10 & 12, Poes Road, Teynampet, Chennai in the name of the company, and personal guarantees of whole time directors."	24,97,42,077	7,09,25,903

Note - 9 : Trade Payables	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
(a) Payable towards Purchases (According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. This has been relied upon by the auditors. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given)	1,32,11,249	3,00,54,009
(b) Advance received from customers	13,17,891	13,17,891
(C ) Payable towards Capital Expenditure	1,17,54,993	34,67,400
<b>Total</b>	<b>2,62,84,133</b>	<b>3,48,39,300</b>

Note - 10 : Short Term Provisions	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
(a) Salaries, wages and other employee benefits payable	1,12,50,524	69,99,897
(b) Others		
(i) Proposed final dividend on equity shares	1,29,78,336	1,29,78,336
(ii) Tax on dividend	21,05,735	21,05,735
(iii) Statutory Tax and Expenses Payable	50,26,507	19,89,732
<b>Total</b>	<b>3,13,61,102</b>	<b>2,40,73,700</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 11 : Other current Liabilities	As at March 31st 2014	As at March 31st 2013
(a) Current maturities of long-term debt - (i) On Term Loans (ii) On Vehicle Loan (See note 5 for the details of security & Terms of Repayment)	6,24,74,123 40,67,700	6,30,07,561 46,03,736
<b>Total</b>	<b>6,65,41,823</b>	<b>6,76,11,297</b>

## Note - 12 : Fixed Assets

S.No	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON 01.04.2013	ADDITIONS	DELETIONS	AS ON 31.03.2014	AS ON 01.04.2013	RATE (%)	FOR THE PERIOD	DELETION	AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
1	LAND	22,37,58,547	44,20,45,618	-	66,58,04,165	-	-	-	-	66,58,04,165	22,37,58,547	
2	BUILDING	4,74,35,176	1,96,56,176	-	6,70,91,352	48,39,729	1.63%	10,55,931	-	58,95,660	6,11,95,692	4,25,95,447
3	PLANT & MACHINERY	52,15,23,418	5,41,19,891	-	57,56,43,309	18,66,73,554	4.75%	2,47,75,632	-	21,14,49,186	36,41,94,123	33,48,49,864
4	COMPUTERS	5,20,93,447	1,55,94,980	-	6,76,88,427	3,36,72,618	16.21%	84,45,380	-	4,21,17,998	2,55,70,429	1,84,20,829
5	VEHICLES	4,28,42,781	38,30,992	6,77,396	4,59,96,377	3,14,39,924	9.50%	40,86,231	1,76,125	3,53,50,031	1,06,46,346	1,14,02,857
6	FURNITURE & FIXTURES	1,88,37,400	28,65,352	-	2,17,02,752	80,51,903	6.33%	12,07,842	-	92,59,745	1,24,43,007	1,07,85,497
	Total	90,64,90,769	53,81,13,009	6,77,396	1,44,39,26,382	26,46,77,728		3,95,71,017	1,76,125	30,40,72,620	1,13,98,53,762	64,18,13,041
	Previous year	75,47,36,990	15,17,53,779	-	90,64,90,769	22,79,06,604		3,67,71,124	-	26,46,77,728	64,18,13,041	52,68,30,387

\*\* The Asset- land has been revalued on 31<sup>st</sup> March , 2014 based on the Chartered Engineer Certificate.

Note - 13 : Investments	As on 01.04.2013		Purchased during the year		Sold during the year		Gain / (Loss)	As on 31.03.2014	
	No of Shares	In Rs.	No of Shares	In Rs.	No of Shares	In Rs.		No of Shares	In Rs.
Quoted - Long term in equity shares - at cost									
"Balrampur Chini Mills Limited Equity shares Rs. 1 each fully paid up"	808	88,072	-	-	-	-	-	808	88,072
"GMR Infrastructure Limited Equity shares Rs. 1 each fully paid up"	-	-	-	-	-	-	-	-	-
"Jaiprakash Power Ventures Limited Equity shares Rs. 2 each fully paid up"	5,259	3,93,899	-	-	-	-	-	5,259	3,93,899
"Lanco Infratech limited Equity shares Rs. 1 each fully paid up"	9,000	1,73,340	-	-	-	-	-	9,000	1,73,340
"SBI Lilited, Equity shares Rs. 10 each fully paid up"	3,400	74,64,816	1,850	31,61,041	500	10,07,725	(90,042)	4,750	95,28,090
"Strides Arcolab Limited, Equity shares Rs. 10 each fully paid up"	1,000	9,84,264	-	-	-	-	-	1,000	9,84,264
"United Spirits Limited, Equity shares Rs. 10 each fully paid up"	1,000	19,11,988	200	4,06,121	1,200	23,79,465	61,356	-	-
<b>GRAND TOTAL</b>	<b>20,467</b>	<b>1,10,16,379</b>	<b>2,050</b>	<b>35,67,162</b>	<b>1,700</b>	<b>33,87,190</b>	<b>(28,686)</b>	<b>20,817</b>	<b>1,11,67,665</b>

Market Value of Quoted Investments

47,41,703

96,81,462

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 14 : Long Term Loans and Advances	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
Unsecured and Considered Good		
(a) Capital Advances	12,86,81,008	10,21,19,941
(b) Security Deposits	2,65,74,069	2,61,12,555
(c) Loans and advances to employees	8,13,442	1,85,198
(d) Advance tax (net of provision for taxation)	1,35,87,129	3,13,00,097
(e) MAT Credit Entitlement	3,77,35,602	2,80,85,027
(f) Loans and advances to related parties	-	-
(g) Others	3,94,946	10,92,444
<b>Total</b>	<b>20,77,86,196</b>	<b>18,88,95,262</b>

Note - 15 : Other Non Current Assets	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
Prepaid Expenses	2,99,39,677	1,55,14,199
<b>Total</b>	<b>2,99,39,677</b>	<b>1,55,14,199</b>

Note - 16 : Inventories	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
(At lower of cost and net realisable value)		
Film Rights	11,65,21,005	2,02,15,450
<b>Total</b>	<b>11,65,21,005</b>	<b>2,02,15,450</b>

Note - 17 : Trade Receivables	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
Unsecured and considered good		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	29,98,79,523	29,62,93,682
(b) Other trade receivables	28,28,24,761	13,16,92,217
<b>Total</b>	<b>58,27,04,284</b>	<b>42,79,85,899</b>

Note - 18 : Cash and Cash Equivalents	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
(a) Cash in Hand	65,794	47,482
(b) Balances with Scheduled Bank in-		
(i) On Deposit Account	9,74,79,652	9,04,44,170
(ii) On Current Account (Temporary Book Overdraft)	(2,03,11,632)	(41,56,847)
<b>Total</b>	<b>7,72,33,814</b>	<b>8,63,34,805</b>

Note:

Of the above , the balances that meet the definition of

Cash and Cash Equivalents as per AS3 -Cash Flow Statements is - **7,72,33,814**

**8,63,34,805**

Note - 19 : Short Term Loans and Advances	As at March 31 <sup>st</sup> 2014	As at March 31 <sup>st</sup> 2013
Unsecured and considered good		
(a) Loans and advances to related parties	-	-
(b) Other loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>Note - 19 : Revenue</b>	<b>For the year ended March 31<sup>st</sup> 2014</b>	<b>For the year ended March 31<sup>st</sup> 2013</b>
Income from Broadcasting Operations	67,65,38,410	71,78,69,058
Income from Other Operations	19,40,31,961	3,68,73,116
<b>Gross Revenue</b>	<b>87,05,70,371</b>	<b>75,47,42,174</b>
Less : Service Tax	7,59,15,604	7,94,68,902
	<b>79,46,54,767</b>	<b>67,52,73,272</b>

<b>Note - 20 : Other Income</b>	<b>March 31<sup>st</sup> 2014</b>	<b>March 31<sup>st</sup> 2013</b>
Interest on Bank Deposits and Income Tax	90,89,832	67,25,128
Dividend on Non-current Investments	5,61,716	95,000
Gain on foreign exchange fluctuation (net)	9,34,643	4,79,846
Other Non-Operating Income	1,40,051	1,40,667
	<b>1,07,26,242</b>	<b>74,40,641</b>

<b>Note - 21 : Cost of revenue</b>	<b>March 31<sup>st</sup> 2014</b>	<b>March 31<sup>st</sup> 2013</b>
Operation Expenses	23,72,21,267	26,81,93,136
	<b>23,72,21,267</b>	<b>26,81,93,136</b>

<b>Note - 22 : Employee Benefit Expenses</b>	<b>March 31<sup>st</sup> 2014</b>	<b>March 31<sup>st</sup> 2013</b>
Directors Remuneration	1,63,02,000	1,45,60,000
Salary and Allowances	14,74,53,102	8,96,89,862
Staff Welfare	59,02,451	49,37,133
Contribution to Provident and other funds	45,86,847	27,40,311
Gratuity Expenses	17,97,267	48,23,571
	<b>17,60,41,667</b>	<b>11,67,50,877</b>

<b>Note - 23 : Financial Expenses</b>	<b>March 31<sup>st</sup> 2014</b>	<b>March 31<sup>st</sup> 2013</b>
Interest	4,31,85,014	3,69,93,761
Others	35,74,387	17,25,656
	<b>4,67,59,401</b>	<b>3,87,19,417</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 24 : Administrative and other Expenses	March 31 <sup>st</sup> 2014	March 31 <sup>st</sup> 2013
Advertisement Expenses	31,87,180	14,20,888
Bad Debts written off	9,34,086	9,26,420
Commission	24,79,544	27,89,200
Electricity Charges	1,57,65,368	1,17,76,808
Entertainment	10,63,994	7,82,909
Insurance	13,53,673	10,45,553
Internet & Website charges	33,96,685	27,49,761
Legal and Professional Fees *	1,02,66,763	37,38,586
Miscellaneous Expenses	3,16,38,746	1,96,14,024
Office Maintenance	7,20,446	6,81,574
Postage and Courier	8,74,299	10,58,886
Printing and Stationery	34,75,548	22,61,363
Rent	77,34,805	74,20,269
Rate and Taxes	1,29,09,117	81,01,518
Repair and Maintenance		
- Building	51,54,311	29,60,963
- Plant and Machinery	34,89,014	22,99,741
- Others	39,58,950	36,43,104
Sales Promotion	50,39,220	93,84,155
Security Charges	4,18,836	2,19,511
Sitting Fees	1,86,000	1,96,000
Telephone Charges	37,54,778	30,05,675
Traveling and Conveyance	1,25,14,395	1,43,51,518
Vehicle Maintenance	1,65,36,801	1,23,86,274
Loss on Sale of Non-current Investments ( refer note 13)	28,686	1,28,95,892
	<b>14,68,81,245</b>	<b>12,57,10,592</b>

## \* Payments to the auditors comprises (excluding service tax input credit)

a. Statutory audit fees (including quarterly limited reviews)	2,00,000	2,00,000
b. For consultancy, Income tax appearance and other services	1,50,000	1,50,000
c. Certification and other matters	4,00,000	4,00,000
<b>Total</b>	<b>7,50,000</b>	<b>7,50,000</b>

## RAJ TELEVISION NETWORK LTD.,

**RAJ TELEVISION NETWORK LIMITED**  
Notes Forming Part of the Financial Statement for the  
Financial Year ended 31<sup>st</sup> March 2014

**1. COMPANY INFORMATION**

The company was incorporated vide CIN No. L92490TN1994PLC027709 dated 03<sup>rd</sup> June 1994 issued by Registrar of Companies, Chennai, Tamil Nadu.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act 2013 ("the 2013 Act") in terms of general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs) and the relevant provision of the 1956 Act/2013 Act as applicable. The Financial Statements have been prepared on accrual basis under historical cost convention (except on revaluation of land).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act 1956. The Financial Statement are Presented in Indian Rupees

**2.2. ESTIMATES & ASSUMPTION, ACCOUNTING JUDGMENTS**

The preparation of financial requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent gain or loss at the date of financial statements and the reported amounts of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant forecast and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumption are reviewed on ongoing basis. Revision of accounting estimates recognized in the year in which estimated revised and future year affected.

**2.3 TANGIBLE FIXED ASSETS**

Tangible Fixed Assets are accounted at their original cost inclusive of installation and other incidental expenses directly attributable to the asset till it is put to use. Fixed Assets are stated at cost, after reducing the accumulated depreciation till the balance sheet date. Cost includes taxes, duties, freight and incidental expenses relating to acquisition and installation of fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from existing assets beyond its previously assessed standard of performance.

Assets are not ready for their intended use are shown as Capital Work -in-Progress

**2.4 DEPRECIATION AND AMORTIZATION**

Depreciation on fixed asset is provided as per Straight Line Method (SLM) applying the rates, as prescribed in Schedule XIV to the Companies Act, 1956. The Depreciation Rates are shown below:

The rates adopted are higher than or equal to the rates specified in Schedule XIV. Depreciation on Assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date on which asset put into use.

Particulars	Percent
Building	1.63%
Plant and Machinery	4.75%
Furniture and Fixtures	6.33%
Vehicles	9.50%
Computers	16.21%

Assets costing less than Rs.5,000 each is fully depreciated in the year of capitalization

Depreciation on fixed asset based on usability, and their condition as per estimates of the management wherever necessary.

## FINANCIAL STATEMENT

### 2.5 CASH AND CASH EQUIVALENTS

Cash and Cash equivalent comprises of Cash on Hand and Demand Deposit with banks.

### 2.6 CASH FLOW STATEMENT

Cash flow statement has been prepared as per Indirect Method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.

### 2.8. INVENTORY

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

### 2.9. REVENUE RECOGNITION

Broadcasting services - Advertisement Revenue is recognized when the related advertisement or commercial is telecast.

Subscription revenue is recognized on completion of service.

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

Sale is recognized when the risk and rewards of ownership are passed onto the Customers.

Other Revenue/Income is generally accounted in accrual as they are earned.

### 2.10. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates as on the date of the transaction and the exchange difference arising from foreign currency transaction is dealt with in Profit and Loss account.

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

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 recognized 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.

### 2.11. PROVISION AND CONTINGENCIES:

A provision is recognized in the balance sheet when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. This are reviewed at each year end date and adjusted to reflect the best current estimate.

### 2.12. EARNINGS PER SHARE:

Earning per equity shares is arrived at based on net profit / (loss) after taxation available to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share arrived by dividing the adjusted profit / (loss) after tax by the weighted average number of equity shares for arriving basic earnings per share plus the weighted average number of equity shares which have been issued for conversion of all dilutive potential equity shares, if any.

### 2.13 TAXES ON INCOME:

Tax expenses provision comprises of Current tax & Deferred Tax.

Current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws and provision of Income Tax Act, 1961.

Deferred tax is recognized, 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 recognized to the extent there is a reasonable certainty that these would be realized in future.

### 2.14 RETIREMENT BENEFITS:

- i ) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.
- ii ) Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.



## FINANCIAL STATEMENT

## 2.15 PRIOR PERIOD ITEMS:

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".

## 2.16 INVESTMENTS:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 2.17 IMPAIRMENT OF ASSETS:

The Carrying amount of assets are reviewed at Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit and Loss Account in the period in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling Price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on change in circumstances.

### ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

## A. EXPENDITURE IN FOREIGN EXCHANGE:

Particulars	For the year Ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
	Rs	Rs
Travelling	3,11,749	11,83,514
Production Expenses	56,25,000	6,25,162
Purchase of assets	50,91,703	93,48,828
Repairs and maintenance	6,99,944	4,03,291
Royalty	9,84,44,174	8,29,72,639
<b>Total</b>	<b>11,01,72,570</b>	<b>9,45,33,434</b>

## FINANCIAL STATEMENT

## B. EARNINGS IN FOREIGN EXCHANGE:

Particulars	For the year Ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
	Rs	Rs
Export of TV Programme	19,40,31,961	3,68,73,116
<b>Total</b>	<b>19,40,31,961</b>	<b>3,68,73,116</b>

## C. EARNINGS PER SHARE:

\*\*\* In the Current year 1,29,78,336 equity shares of Rupees 10/- face value were split into 2,59,56,672 shares of Rupees 5/- face value and 2,59,56,672 equity shares were allotted as fully paid Bonus shares by utilisation of Securities Premium Account.

Particulars	For the year Ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
	Rs	Rs
Net Profit Available to Equity Shareholder (Profit After Tax)	12,91,21,886	9,28,62,371
Weighted Average Number of Equity Shares	5,19,13,344	1,29,78,336
Earnings Per Share (Basic) - in Rs.	2.49	7.16
Earnings Per Share (Diluted) - in Rs.	2.49	7.16
Adjusted EPS for 2012-13		1.79

FINANCIAL STATEMENTS

## D. RELATED PARTY DISCLOSURES:

## I. DIRECTORS

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

Particulars	Year ended 31.03.2014 (Rs.)	Year ended 31.03.2013 (Rs.)
Total Director Remuneration including incentives paid during the year	1,63,02,000 /-	1,45,60,000 /-

## II. RELATIVES OF PROMOTERS

Name	Designation	Nature of transaction	Year ended 31.03.2014 (Rs.)
Mr.Nachiappan Raajhendhran	Chief Business Development Officer-Ecommerce	Salary	6,00,000 /- per annum
Mr.Chinna Nachiappan	Chief Business Development Officer-Ecommerce	Salary	6,00,000 /- per annum

## FINANCIAL STATEMENT

## E. EMPLOYEE BENEFIT PLANS – GRATUITY

The present value of gratuity obligation is determined based on actuarial valuation as per AS-15 (Revised 2005). The summary is as follows:

PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
EXPENSES RECOGNIZED DURING THE YEAR		
Current Service Cost	626,839	809,771
Interest Cost	523,515	372,496
Actuarial Losses (Gains)	127,469	1,510,386
Past Service Cost		
Total Expenses		
NET ASSET/(LIABILITY) RECOGNIZED IN THE BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH		
Present value of Defined obligation	7,647,643	7,101,754
Net Assets / (Liability)	52,588	7,220,818
RECONCILIATION OF ASSETS / (LIABILITY) RECOGNIZED IN THE BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH		
Net Asset/ (Liability) at the beginning of the year	7,101,754	4,893,964
Expenses as per above	748,365	1,182,267
Employer contribution	1,294,254	484,863
Net Assets/ (Liability) at the end of the year	7,647,643	7,101,754
ACTUARIAL ASSUMPTIONS		
Discount rate	0.08	0.08
Expected rate of Salary Increase.	0.06	0.07
Mortality	3.00%	3.00%

## F. SEGMENT REPORTING

The company has no reportable Business or Geographical segment as defined in Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

## FINANCIAL STATEMENT

## G. DEFERRED TAX

Deferred Tax Liability recognized for the Financial Year is Rs.75,50,857/-.

Particulars	Amount
Opening Deferred Tax Liability	6,17,84,745
Add: Deferred Tax Liability for 2013-14 recognized	75,50,857
Closing Deferred Tax Liability	6,93,35,602

## H. REVALUATION OF LAND

Accounting Standard (AS) 10 on 'Accounting for Fixed Assets' permits the revaluation of fixed assets and, inter alia, requires that "An increase in net book value arising on revaluation of fixed assets should be credited directly to owners' interests under the head of revaluation reserve, except that, to the extent that such increase is related to and not greater than a decrease arising on revaluation previously recorded as a charge to the profit and loss statement, it may be credited to the profit and loss statement."

During the Financial Year – Land was revalued and the increase in Net Book Value arising on revaluation of Land to the extent of Rs.442,045,618/- was credited to Revaluation Reserve.

## I. TRADE DEBTORS AND CREDITORS

The balances of sundry creditors and Debtors as shown in the balance sheet are subject to reconciliation & confirmation.

## J. COMMITMENTS AND CONTINGENCIES

There are no Contingent Liabilities as on the Balance sheet date.

## K. EVENTS AFTER BALANCE SHEET DATE

There are no material events occurred after the balance sheet date, which requires adjustment to assets / liabilities as of March 31, 2014

## L. GENERAL NOTES

- All Amount mentioned in financial statement represents for the year ended 31.03.2014
- Previous year figures have been rearranged wherever necessary to confirm to Current year classification of accounts as per Revised Schedule-VI
- All amounts in the financial statements have been rounded off to the nearest Indian rupee.
- Based on the information and explanation given by the company there were no dues to Micro, small scale industries.

As per our report of even date  
For Pratapkaran Paul &  
Chartered Accountants.,  
Firm Regn No.002777S

For and on behalf of the Board of directors

Pratapkaran Paul  
Partner  
Membership No.023810  
13-May-14  
Chennai

Raajhendhran.M  
Managing Director  
DIN: 00821144

Rajarathinam.M  
Director  
DIN:00839174

Joseph Cheriyan  
Company Secretary  
Membership No:26524

## RAJ TELEVISION NETWORK LTD.,

RAJ TELEVISION NETWORK LIMITED  
L92490TN1994PLC027709

Registered office: 32, Poes Road 2nd Street, Teynampet, Chennai - 600 018

ATTENDANCE SLIP  
20<sup>th</sup> ANNUAL GENERAL MEETING

ATTENDANCE SLIP

DP ID \_\_\_\_\_

(To be presented at the entrance)

Folio No./Client ID \_\_\_\_\_

I/We hereby record my/our presence at the **20<sup>th</sup> Annual general Meeting** of the company at Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600004, on Friday, the 19<sup>th</sup> day of September 2014 at 10.00 A.M

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

JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

\_\_\_\_\_  
Signature of the Member/ Proxy

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

RAJ TELEVISION NETWORK LIMITED  
L92490TN1994PLC027709

Registered office: 32, Poes Road 2nd Street, Teynampet, Chennai - 600 018

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/ We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the **20<sup>th</sup> Annual general Meeting** of the company at Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai-600004, on Friday, the 19<sup>th</sup> day of September 2014 at 10.00 AM. and at any adjournment thereof in respect of such resolutions as are indicated here

## RAJ TELEVISION NETWORK LTD.,

I WISH MY ABOVE PROXY TO VOTE IN THE MANNER AS INDICATED IN THE BOX BELOW:-

Resolution No	Resolutions	For	Against	
ORDINARY BUSINESS	1	Consider and adopt the Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2014 together with the Reports of the Board of Directors and Auditors' thereon.		
	2	Declaration of final dividend and confirmation of the Interim Dividend.		
	3	Appointment of Shri. A Arjuna Pai (holding DIN 01830471) as an Independent Director.		
	4	Appointment of Shri. D R Kaarthikeyan, (holding DIN 00327907) as an Independent Director.		
	5	Appointment of Shri. R Rajagopalan, (holding DIN 00717140) as an Independent Director.		
	6	Appointment of Shri Mohan Kaameswaran, (holding DIN 00562832 as an Independent Director.		
	7	Appointment of M/s. Pratapkaran Paul & Co., Chartered Accountants (ICAI Registration No.002777S) as statutory auditors of the Company and fix their remuneration.		
SPECIAL BUSINESS	8	Confirmation of the variation of the terms and conditions of remuneration being paid/payable to Shri M. Raajhendran, Managing Director (holding DIN 00821144) of the company as enumerated in the notice for the period from 01-04-2014 to 31-03-2016.		
	9	Confirmation of the variation of the terms and conditions of remuneration being paid/payable to Shri M. Rajarathinam , Whole-time Director , (holding DIN 00839174) of the company as enumerated in the notice for the period from 01-04-2014 to 31-03-2016.		
	10	Confirmation of the variation of the terms and conditions of remuneration being paid/payable to Shri M. Ravindran- Whole-time Director, (holding DIN 00662830) of the company as enumerated in the notice for the period from 01-04-2014 to 31-03-2016		
	11	Confirmation of the variation of the terms and conditions of remuneration being paid/payable to Shri M. Rangunathan- Whole-time Director , (holding DIN 00662769)of the company as enumerated in the notice for the period from 01-04-2014 to 31-03-2016		
	12	Approval of the Borrowing powers of the Board of Directors of the Company.		
	13	Approval of the mortgage powers of the Board of Directors of the Company		
	14	Appointment of Smt. Amudha Rajendran (DIN 00716133),as the woman director of the Company, pursuant to provisions of Section 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013.		
	15	Appointment of M/s V. Nagarajan & Co., Company Secretaries, as Secretarial Auditors of the Company and the Authorisation of Board of Directors of the Company to fix their remuneration from time to time in consultation with Audit Committee.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of the Shareholder\_\_\_\_\_

Affix  
Revenue  
Stamp\_\_\_\_\_  
Signature of first proxy holder\_\_\_\_\_  
Signature of second proxy holder\_\_\_\_\_  
Signature of third proxy holder

FINANCIAL STATEMENTS

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 32, Poes Road 2<sup>nd</sup> Street, Teynampet, Chennai - 600 018, not less than 48 hours before the commencement of the Meeting.