



THE PEOPLE'S CHANNEL

ANNUAL REPORT

2007 - 2008





Raj
The people's channel

Raj
MUSIC
24x7

Starting tomorrow, Raj Music 24x7 will be your go-to channel for the latest in music reviews from the film world, upcoming trends in fashion and much, much more. Contact your cable operator now!

CONTENTS

Corporate Information	2
From the desk of the Managing Director	3
Our Board	5
Our Numbers	6
Our Growth Drivers	7
Our Strength Indicators	8
Directors' Report	9
Corporate Governance	13
Management's Discussion and Analysis	19
Balance Sheet	26
Profit and Loss Account	27

CORPORATE INFORMATION

Board of Directors :

Mr. M. Raajhendhran
(Managing Director)

Mr. M. Rajratnam
(Director-Content Acquisition)

Mr. M. Ravindran
(Director- Operation)

Mr. M. Raghunathan
(Director-Marketing)

Mr. D. R. Kaarthikeyan
(Independent Director)

Dr. R. Rajagopalan
(Independent Director)

Mr. A. Arjuna Pai
(Independent Director)

Dr. Mohan Kameswaran
(Independent Director)

Company Secretary & Compliance Officer

Mr. Lalit Kumar Mohanty

Statutory Auditor:

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

Legal Advisor:

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

Bankers:

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

State Bank of India
Oversea Branch,
86, Rajaji Salai,
Chennai

Indian Bank,
Thousand Lights Branch,
Kannammal Building,
611, Anna Salai,
Thousand Lights, Chennai

Registered Office:

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

Regional Offices:

Delhi Office:

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

Mumbai Office :

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

Bangalore Office:

S-Block, # 808,
Manipal Centre
Dickenson Road,
Bangalore - 560 001

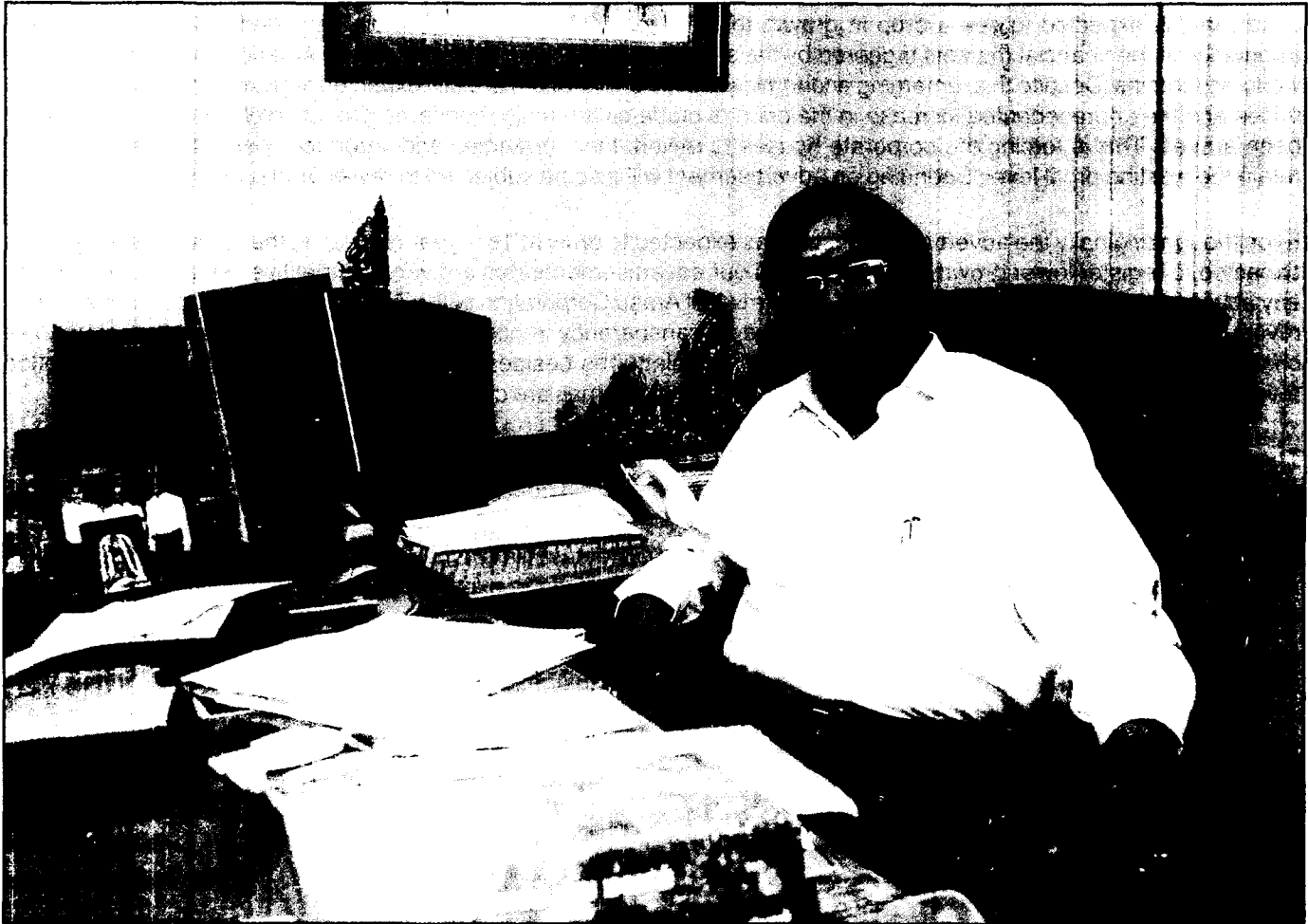
Hyderabad Office:

Journalist Colony,
No.58, Site -A,
Jubilee Hills,
Hyderabad - 500 033

Registrar and Share Transfer Agent :

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

From the desk of the
MANAGING DIRECTOR



Dear Shareholders,

Warm Greetings to you all!

I am pleased to address you in the Second Annual Report of Raj Television Network Ltd., since listing of the company.

The Indian Economy in the year 2007-08 grew at 9 percent compared to 9.6 percent in the previous year. Despite slower growth rate in 2007-08, India continued to be one of the fastest growing economies of the world.

Fiscal year 2007-08 is yet another eventful year for our company. It achieved enviable progress during the year. The total income for the year grew by 52% to Rs. 587 million. Profit before interest, depreciation and taxes (PBIDT) grew by 43% to Rs. 231 million. Net profit after tax was up by 47% to 135 million.

As planned, our company has launched Raj Musix channel on 23rd Jan 2008. This is a niche channel targeting predominantly the youth. This channel beams programs on lifestyle, celebrity interaction, education, health, glamour, cultural and music programs.

Our company has tied up with Big Flicks, India's largest online and offline movie service provider belonging to Anil Ambani group for the former's video on demand division. It has also tied up with Dish TV to host our channels on the latter's DTH platform.

Global economic scene, which has been characterised by rising inflation, slower growth and tightening monetary conditions, is expected to see a drop in growth to 3.7% in 2008 compared to 4.9% recorded in 2007. The recent turbulence in the financial markets triggered by the subprime crisis in the United States of America continues to impact world economies. 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. Double digit inflation has already been arrived. 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.

Even though originally the advertising industry was expected to grow at 18% year on year, in the changed scenario it is expected to register lower growth of 11% only. As our advertisement rates are very competitive, we are not expecting any adverse impact on our ad revenue. With the arrival of Arasu Corporation of the Tamil Nadu Government subscription revenue is expected to increase substantially due to transparency in collection from operators. Now the company's channels are available in DTH, IPTV and other digital platforms besides cable network. This will push subscription revenue further. To improve the TRP rating more reality programmes are contemplated.

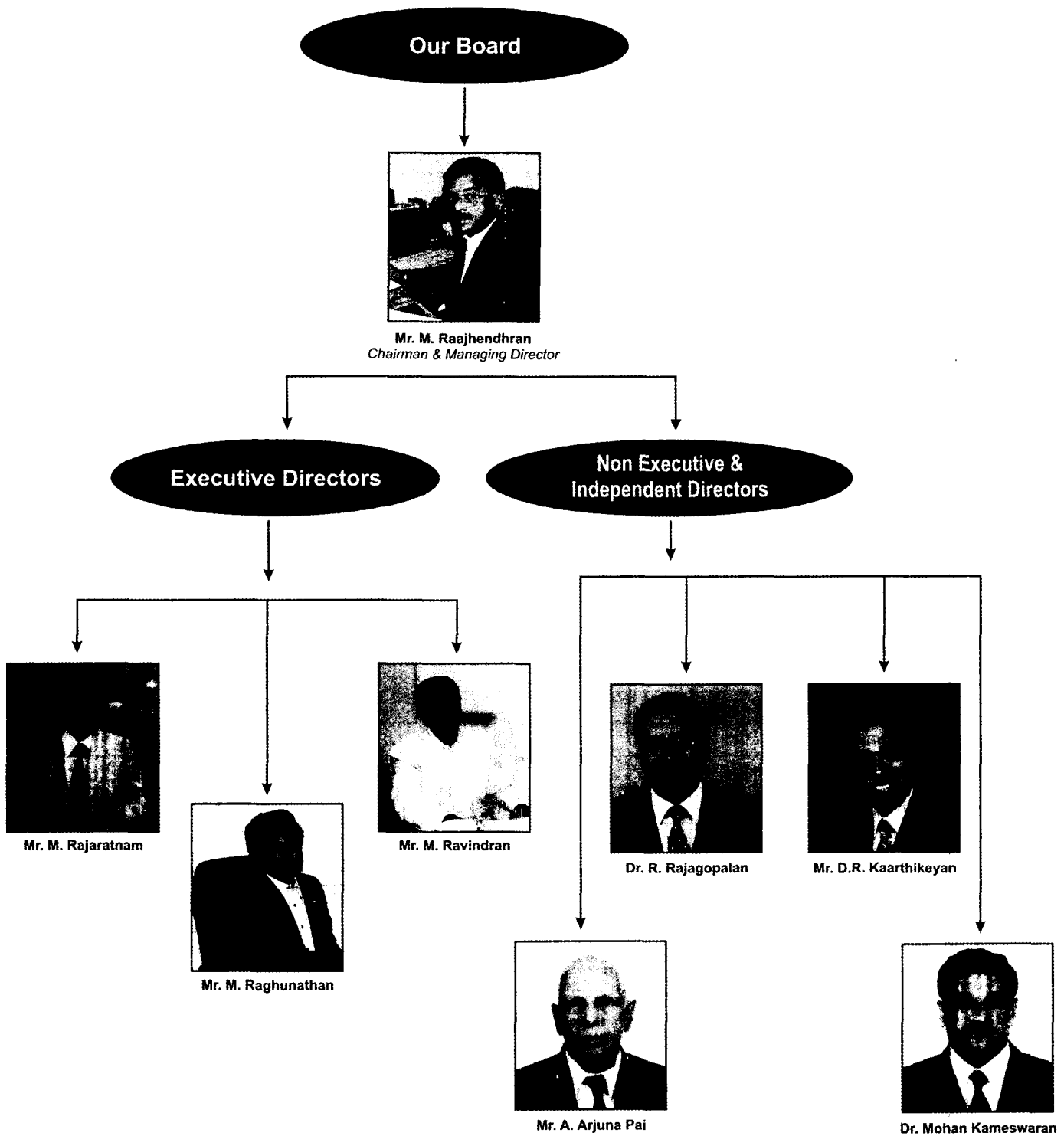
The company has also launched a news channel in the name of Raj News in June 2008. Healthy advertisement revenues are expected from the news channels from September 08 quarter.

As planned the company has ventured into production of Tamil feature films. It has signed contract with four reputed film producers and production has already commenced. The first movie is expected to hit the screen before the end of second quarter.

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.

Sincere Regards
M. Raajhendhran



Our Numbers

PROFIT AND LOSS STATEMENT

Rs. Lacs

Particulars	FY - 2007	FY - 2008
Sales	3,856	5,386
Other Income	27	483
Total Income	3,884	5,869
Operational Expenses	1,035	1,622
Administration and Selling Expenses	788	1,485
Establishment Expenses	450	451
EBIDTA	1,610	2,312
Interest & Financial Expenses	110	57
PBDT	1,500	2,255
Depreciation	178	203
Profit/(Loss) Before Taxation	1,322	2,052
Prior period Adjustments	91	22
Taxation	491	726
Profit /(loss) after Taxation	923	1,347
Equity	1,298	1,298
Reserves	8,749	9,869

BALANCE SHEET

Rs. Lacs

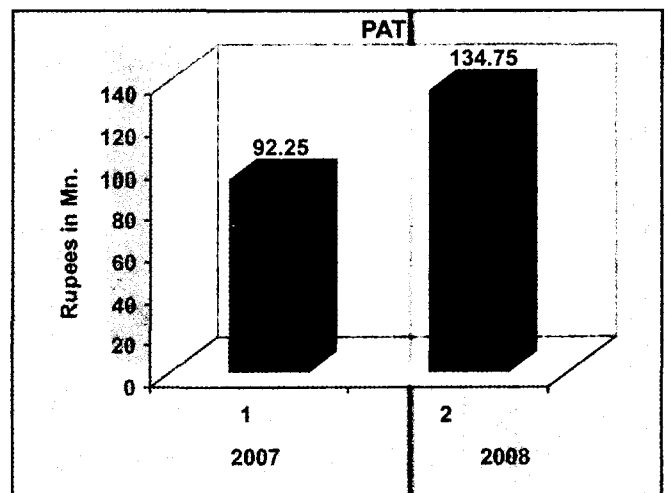
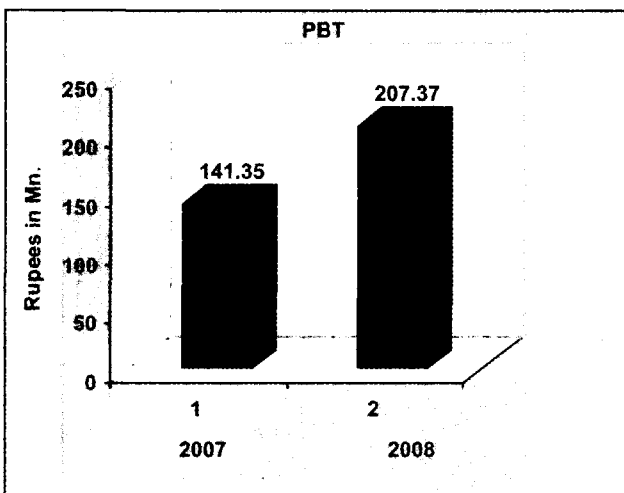
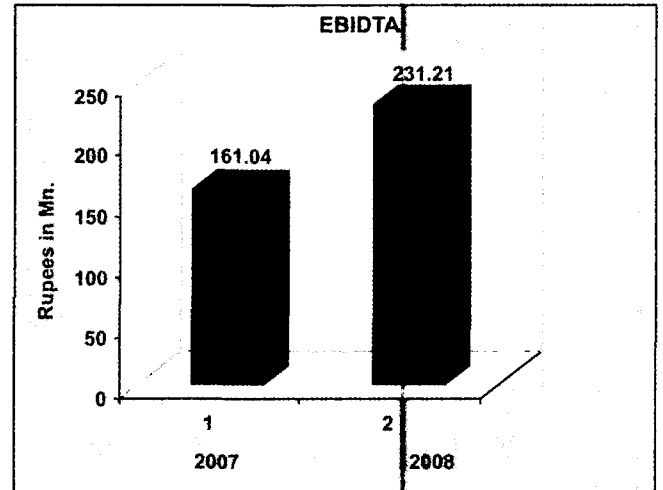
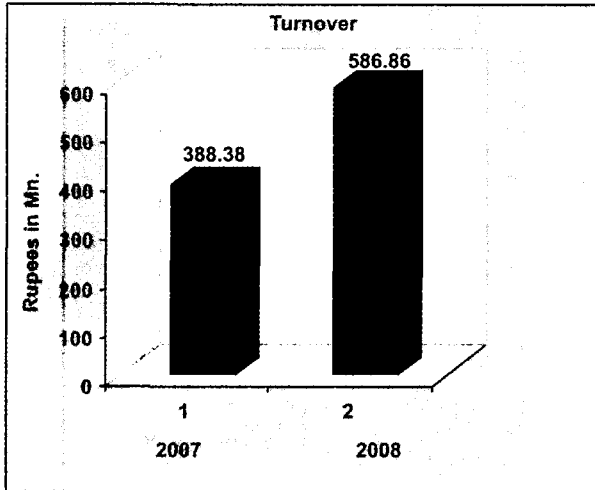
Particulars	FY - 2007	FY - 2008
Sources of Fund		
Share Capital	1,298	1,298
Reserve & Surplus	8,749	9,869
Total Shareholder's Fund	10,047	11,167
Loan funds	666	432
Deffered Tax Liability	641	610
Total Sources of Fund	11,354	12,209

BALANCE SHEET

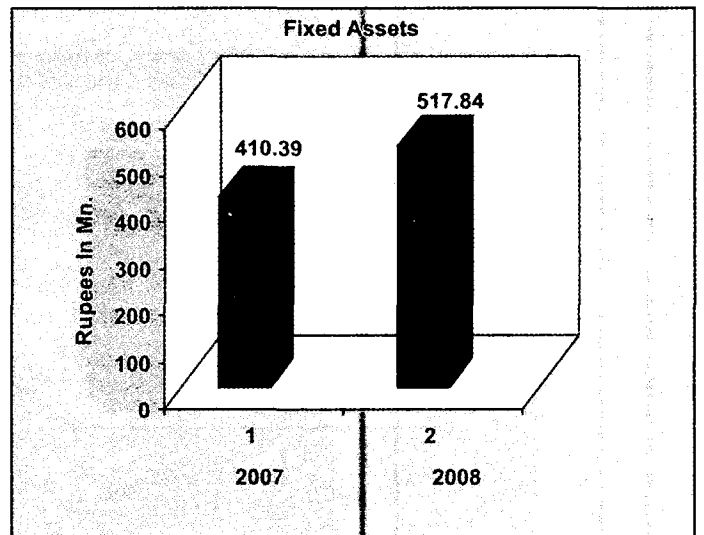
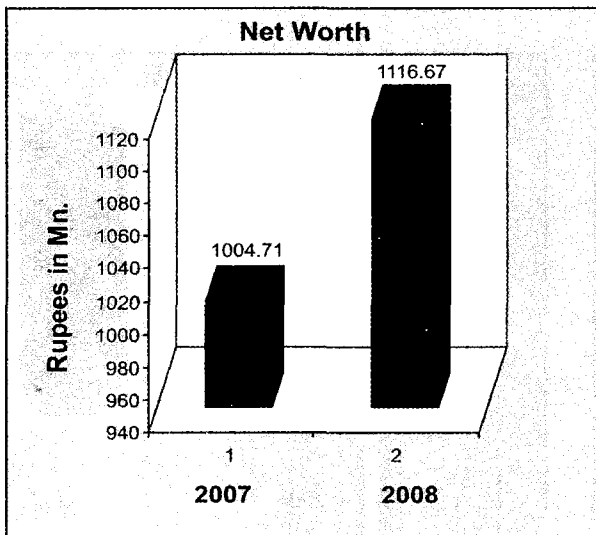
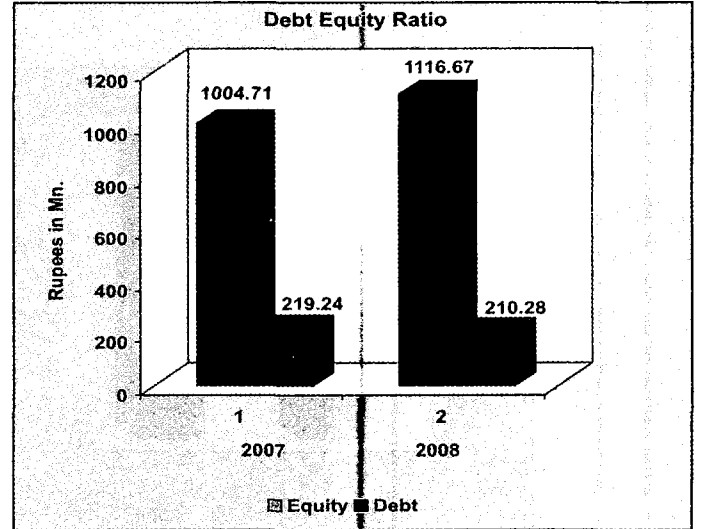
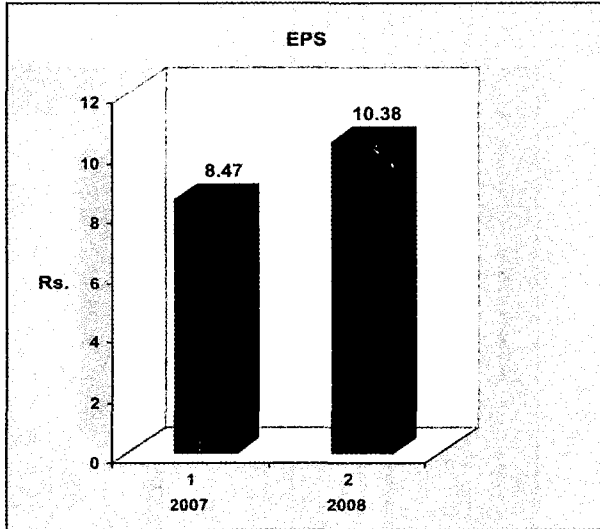
Rs. Lacs

Particulars	FY - 2007	FY - 2008
Application of Funds		
Gorss Block	4,104	5,178
Less: Depreciation	990	1,193
Net Block	3,114	3,985
Total Fixed Assets	3,114	3,985
Gross Current Asset	9,184	9,458
Less: Current Laibilities & Provisions	1,526	1,671
Net Current Assets	7,658	7,787
Miscellaneous Expenditure to the extent not written off	582	437
Total Asset	11,354	12,209
Networth	10,047	11,167

Our Growth Drivers



Our Strength Indicators



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Fourteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2008.

Financial Results

The Financial Performance of your Company for the year ended March 31, 2008 is summarized below:

(Rs. Lakhs)

Particulars	For the year ended	
	31 st March 2008	31 st March 2007
Total Income	5868.59	3883.79
Total Expenses	3556.53	2273.44
Operating Profit (EBIDTA)	2312.06	1610.34
Profit after Depreciation and financial charge	2051.53	1322.31
Add: Prior Period Adjustment	22.13	91.23
Profit Before tax	2073.67	1413.55
Provision for Taxation (net)	726.22	491.03
Profit after Tax	1347.45	922.51
Interim Dividend	-	(8.92)
Tax on Interim Dividend	-	(1.25)
Proposed Dividend	(194.67)	(129.78)
Tax on Proposed Dividend	(33.08)	(22.06)
Balance carried forward	1052.32	714.37

Dividend

Your Directors have recommended a final dividend of 15% (Rs.1.50 per equity share on par value of Rs.10/- each) for the financial year 2007-08 to those share holders holding shares as on the record date.

Share Capital:

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

Business Outlook

Entertainment & Media industry in India is gaining momentum and also seeing a steady growth in the years to come. As per the research resources India's media & entertainment industry is projected to grow by 18% CAGR over next five years. Government of India has also initiated major reforms, which has a cascading effect on the growth of the Industry. The television industry has margined a substantial portion of the E & M economy and seems to undergo a paradigm shift in all its spheres starting from content broadcasting to distribution and advertising.

The vision of the Company is to reach each and every household across the globe. With the increasing Tamil population all over the world and particularly in middle east, Malaysia, Singapore, UK and US, the Company has found out various plans for beaming its Channels in those regions to enrich its overseas earning. The Company has tied up with a Japanese Television Channel for telecasting its channels in Japanese soil to entertain the Tamil population in Japan. As a part of its overseas expansion, the Company is also negotiating with various television and media units in various countries like US, Australia, Canada to make available its Channels in various digital platforms like DTH, IPTV, VOD etc. The Company has tied up with BIGFLICKS, an online and offline movie rental service and the home entertainment division of Reliance Anil Dhirubhai Ambani group for streaming its programs and content for the access of audiences on latter's website for viewing on demand. In addition the Company has also tied up with Bharati Airtel for beaming its channel through IPTV platform. With the advent of technologies and Government's plan to enhance the limit of FDI limit in IPTV and DTH sectors, the Company is hopeful of strengthening its distribution network and to increase its subscription revenue.

Advance technology is poised to be the backbone of the media & Broadcasting industry. With the technological advancement in existing distribution platforms and also emerging new digital platforms such as IPTV, VOD, Mobile TV etc, the biggest challenge lies in digitizing the contents and automation of delivery system. As a proactive approach the Company has started automation plan of all its channels minimizing the manual interference and has begun its efforts for digitization of its content library. This will offer a distinct quality improvement and will drive the growth of the Company resulting in increase in the subscription revenue.

The Company has recently rolled out its new 24 hour Tamil News channel 'RAJNEWS 24x7' and 'RAJ MUSIX 24X7'.

Raj news 24x7 is the first news channel from the Raj TV group. It is a dedicated news channel and free to air channel covering wide range of programmes spanning Stock Markets, Business, Current Affairs, Health, Food, Education, Career, Achievers, Kids show etc. It will not only provide instant and regular news updates, but at the same time be informative and useful for the viewers. This is the first Tamil news channel to bring Live Stock market updates and standalone programmes on business and stock markets to cater to the needs of thousands of Tamil speaking investors around the country.

Raj Musix is a niche channel targeting the youth audiences. It is primarily catering the programs on young generation based on life style, celebrity interaction, special day programs, interactive shows, talent search, programs based on women, classical programs, programs on cultural happenings in various cities, reality shows, glamour shows etc.

Future Projects

The Company as a part of its growth story is planning to make an inorganic expansion of its business plan by foraying into movie production. India is the third largest film industry in the world. With change in life style coupled with rise in consumer income and growth in consumption pattern has led a massive shift in all spheres of the film industry- production, exhibition, distribution and marketing. The Company has signed up agreements with few production houses for production and distribution of movies. Feature Films are the raw materials for television channels The demand for satellite rights for movies are growing exponentially and it is substantially hitting the operating margin of the television industry due to exorbitant royalty charged by the movie owners. In order to recoup with such type of inflation, the company is rolling out with movie production.

The company is looking forward to be a national player in the television industry. In order have its presence across the country more particularly in southern region the company has plans of launching few more new channels in next two years. This will strengthen its growth structure and also increase the market share.

Further, The Company is expecting to complete its own state of art studio for which the company has acquired land near its corporate office. Once the project takes the final shape it will reduce the operating cost of the company and enrich the quality of contents.

The Company is also mulling to enter the overseas market more aggressively as the demand of Indian culture and heritage is gaining importance in foreign countries. Also with the Indian population increasing all over the world, the company is planning to distribute its channels in the overseas market which will increase its foreign currency revenue and will have a global presence.

Public Deposits:

During the year under review, the Company has not accepted any deposit from the public or its employees.

Listing Agreement:

The Company has complied with all the requirements of the listing agreement. The Company has also paid all the listing fees and there is no arrear till date.

Corporate Governance:

The Company is committed to maintain the highest standard of Corporate Governance and is adhering to all the requirements set out by Security Exchange Board of India's corporate governance practice. The Company has implemented 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 Corporate Governance as stipulated under the said clause with the Stock Exchange in India is provided as an annexure to this Report.

Management's Discussion and Analysis Report:

The 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 forming part of the Annual Report.

Directors:

In accordance with the Articles of Association of the Company, Mr. M. Rajratnam and Mr. A. Arjuna Pai, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Board recommends their reelection.

Auditors:

Ms. Pratapkarana Paul & Co, Chartered Accountants, Chennai, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their reappointment.

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.

Material Events After the Close of Financial Year:

The Company has launched its Tamil 24X7 News Channel- **RAJNEWS (24X7)**. It was launched by Dr. M. Karunanidhi, Hon'ble Chief Minister of Tamil Nadu on 23rd June 2008. With the launch of the news Channel, the company will have four channels in its basket. The Company feels that it will be easier to penetrate the market and enhance the overall market share in the industry with the launch of the news channel.

As disclosed in the Prospectus issuing shares to the public completed in the year 2007, the Company has forayed in to production of movies.

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.

Director's Responsibility Statement:

In terms of and pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, in relation to the Annual Statement of Accounts for financial year 2007-2008, state and confirm that:

The Accounts had been prepared on a 'going concern' basis and in such preparation the applicable accounting standards had been followed with proper explanation relating to material departures;

- b) Your Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year; and
- c) Your Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

CEO/CFO Certification:

A certificate regarding the financial Statement and other matters as required under Clause 49 (V) of the Listing Agreement with Stock Exchanges has been certified by the Managing Director and submitted to the board.

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

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

Particulars of foreign currency earnings and outgo during the year are given in Schedule 16B, Note 9 to the Notes to the Accounts forming part of the Annual Accounts

	Current Year	(In Rupees) Previous Year
Foreign Exchange Earning	95,54,534	81,06,274
Foreign Exchange Outgo	3,40,71,365	1,77,27,004

Particulars of Employees:

During the year under review, none of the employees were covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Acknowledgements:

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

On behalf of the Board

Place : Chennai
Date : July 28, 2008

Raajhendhran M.
Chairman

CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

MANDATORY REQUIREMENTS:

Company's Philosophy:

The corporate governance of the Company is based on the principles of good corporate citizenship which includes honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization. The Company believes the inalienable rights of shareholders as the true owners of the corpus and management's role as trustees on behalf of the shareholders. It 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 on going concern basis takes further steps for corporate excellence and continuous value addition to its over all growth.

BOARD OF DIRECTORS:

A) Board Composition:

Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors to ensure independent functioning. Non- Executive Directors include eminent personalities with expertise in business, finance, taxation, technology and administration.

The Board consists of eight Directors with four independent Directors. Mr. Raajhendhran M., Managing Director is the Chairman of the Board who acts under guidance and supervision of the Board. Half of the Board comprises of independent Directors.

The composition of the Board, category of Directors, attendance of each Director at the meetings held during the year as well as number of other Board or Board committees of other Indian Public Companies in which he/ she is a member or Chairperson as on March 31, 2008 are given below:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM	No. of Directorship held in other Indian public Companies	Number of Committee membership held in other Companies
		Held	Attended			
Mr. Raajhendhran M.	Managing Director	4	4	Yes	1	Nil
Mr. M. Rajratnam	Whole time Director	4	4	Yes	1	Nil
Mr. M. Ravindran	Whole time Director	4	4	Yes	1	Nil
Mr. M. Ragnathan	Whole time Director	4	4	Yes	1	Nil
Mr. D. R. Kaarthikeyan	Independent Director	4	4	Yes	3	Nil
Mr. A. Arjuna Pai	Independent Director	4	4	Yes	Nil	Nil
Dr. R. Rajagopalan	Independent Director	4	4	Yes	Nil	Nil
Dr. Mohan Kameswaran	Independent Director	4	1	No	Nil	Nil

(B) 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 the person heading finance function is placed before the Board on compliance with the financial disclosure as provided under clause 49 (V).

During the financial year under review, Board met 04 (four) times on April 10, 2007, July 27, 2007, October 30, 2007 and January 31, 2008. The gap between two Board Meetings was maximum three months as prescribed under Clause 49 of the Listing Agreement.

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 and is also a Chartered Accountant with more than thirty years of experience in various financial and other advisory areas.

The Broad terms of reference including the composition, name, number of meetings held and attended during the year is as below:

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

The Committee meets periodically and reviews:

- 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.
- Advise on different issues including internal control, risk management and hedging against future risk.
- Discussion 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 04 (four) times viz. April 10, 2007, July 27, 2007, October 30, 2007 and January 31, 2008. 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.

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 under review, there was no revision or increment of remuneration of Executive Directors.

The salary paid to the 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	01-04-2007 to 31-03-2008	16,25,000/-
Mr. M. Rajratnam, Director	01-04-2007 to 31-03-2008	16,25,000/-
Mr. M. Ravindran, Director	01-04-2007 to 31-03-2008	16,25,000/-
Mr. M. Raghunathan, Director	01-04-2007 to 31-03-2008	16,25,000/-

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

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.

Mr. Lalit Mohanty, Company Secretary is the Compliance Officer of the Company. During the year under review, Share Transfer and Investor Grievance Committee met once on May 9, 2007. The meeting was attended by all committee members.

The Company has appointed M/S Cameo Corporate Services Limited, Chennai as Registrar and Share transfer Agent for the Company to take care of all share related issues.

During the year two numbers of rematerialisation requests for total seventy-three shares have been received and two physical certificates have been issued to the shareholders within fifteen days of receipt.

During the year 35 letters/complaints were received from the investors, which were replied/ resolved to the satisfaction of the investors. Most of the issues were mainly relating to the validation of refund orders issued during the initial public offer (IPO) of the company ended in March 2007. None of the complaints required the attention of the investors committee because of routine nature and it was resolved by the company officials/ RTA.

The company has exclusively designated the following email id for the investor relations: redressal@rajtvnet.in.

General Body Meeting:

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

Financial Year	Location	Date	Time
2004-2005	Registered office of the Company at;32, Poes Road, IInd Street Teynampet, Chennai - 600 018	September 30, 2005	10.30 A.M.
2005-2006	Registered office of the Company at;32, Poes Road, IInd Street Teynampet, Chennai - 600 018	August 30, 2006	11.30 A.M.
2006-2007	Image Auditorium M.R.C. Nagar, R.A. Puram, Chennai - 600 028	September 28,2007	10.00 A.M.

- ii) Whether any special resolution passed at previous 3 AGMs: YES
- iii) The company has not passed any resolution through postal ballot.

Disclosures:

There are no materially significant related party transactions having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report. The Financial statements of the Company are prepared on accrual system of accountings in accordance with Generally Accepted Accounting Principles in India along with the Accounting Standards issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956. There has not been any instance of non-compliance by the Company and no penalties or strictures imposed by SEBI or Exchanges or any statutory authority on any matter relating to capital markets, during the last year. The Company also follows the guidelines laid in the Standards on Secretarial Practice of The Institute of Company Secretaries of India relating to meetings of Board and its Committees, General Meetings etc. as a regular practice.

The company has complied with all the mandatory requirements of clause 49 of the listing agreement and it has been submitted to Stock Exchanges on quarterly basis.

The company has not implemented formal Whistle Blower policy. However no personnel has been denied access to the Audit Committee of the company.

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 viz. www.rajtvnet.in. All the Directors and employees of the Company strictly adhere to the said code of conduct.

A declaration signed by the Managing Director affirming compliance with the code of conduct is annexed herewith and forms part of this report.

Prevention of Insider trading:

The Company has instituted a comprehensive code of Conduct for the prevention of insider trading for its Directors/ Designated employees/officers which lays down the Guidelines to be followed and disclosures to be made while dealing with the shares of the Company in compliance of SEBI (Insider trading) Regulation, 1992 on insider trading. All the Directors and Designated employees of the Company strictly adhere to the guidelines. The Company also maintains proper records with requisite particulars as per procedure and guidelines prescribed under the said regulation.

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.

Proceeds from the Initial Public Offer:

As proposed in the Prospectus offering shares to the public, the Company is utilizing the net issue proceeds and unutilized funds have been kept in fixed deposit. The Company is disclosing the details of utilization and reason for not utilizing the proportion amount of fund as per the offer document before the Audit Committee for their information and review. As required under the listing agreement the Company informs the Stock Exchange on quarterly basis. Canara Bank, the Monitoring Agency to the issue makes half yearly review and submits its report to SEBI. The Company also gets utilization certificate from the Statutory Auditor and places the same before the Board and Audit Committee for their review and simultaneously submits to the Monitoring Agent for their record.

Means of Communication:

The Annual report of the Company is sent by post to the shareholders in their residential address within time before Annual General Meeting of the Company.

The Company promptly intimates the Financial results and out come 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, www.rajtvnet.in. Management's Discussion and Analysis Report forming part of annual report is annexed separately.

General Shareholder Information:

1. Date, time and Venue of Annual general Meeting : 29th September 2008, 10.00AM, Bharatiya Vidya Bhavan, 18-22, East Mada Street, Mylapore, Chennai - 600 004
2. Financial year : 2007-2008
3. Date of Book Closure : 23. 09. 2008 to 29. 09. 2008 (Both the days inclusive)
4. Dividend payment date : Within 30days of declaration by the share holders.
5. Listing on Stock Exchanges : Equity Shares
Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)
6. Stock Code : BSE — 532826, RAJTV
NSE — RAJTV EQ
7. Depository Platform : National Securities Depository Ltd (NSDL)
Central Depository Services (India) Ltd, (CDSL)
8. ISIN No. : INE952H01019
9. 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
10. Compliance Officer : Mr. Lalit Mohanty, Company Secretary

11. 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.

12. Share Holding Pattern :
Distribution of Share holding as on 31st March 2008.

Share holdings	Number of Holders	% of Total	No of Shares	% of Total
1 - 100	14547	79.9681	647420	4.9884
101 - 500	3170	17.4261	650396	5.0113
501 - 1000	262	1.4402	205168	1.5808
1001 - 2000	94	0.5167	139903	1.0779
2001 - 3000	34	0.1869	83796	0.6456
3001 - 4000	17	0.0934	61508	0.4739
4001 - 5000	6	0.0329	27536	0.2121
5001 - 10000	22	0.1209	153466	1.1824
10001 - and above	39	0.2143	11009143	84.8270
Total	18191	100.00	12978336	100.00

13. 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 date 4057726 number of shares representing 31.26 % of the total shares of the Company are in dematerialized form.

14. During the year the company has not issued any securities.

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

NON MANDATORY REQUIREMENTS :

Remuneration Committee:

The Company has constituted a remuneration committee comprising of all independent Directors. The Committee discharges duty within its broad terms of reference as stipulated in Clause 49.

Audit Qualification:

The Auditors have not qualified the Financial Statement of the Company.

On behalf of the Board

Place : Chennai
Date : July 28, 2008

Raajhendhran M.
Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

INDUSTRY OVERVIEW :

India is interestingly poised to enter the phase of high growth. Apart from the macro economic growth drivers like growing income, increasing disposable income, propensity to consume more, changing life style this industry is also driven by other micro factors. Besides increasing penetration of cables and satellite services in rural and semi urban areas, better content quality, niche channels and digital distribution system would also provide further impetus to growth.

The Television industry in India is currently at its prime time and has the largest share in the total media and entertainment industry. While India is the third largest cable television market in the world, the penetration level of pay TV has revealed a promising untapped potential for growth. The buoyancy of the Indian economy coupled with new distribution platforms like DTH and IPTV among others is likely to propel the growth of this industry.

The advertisement revenue that contributes the major portion of television earning is increasing exponentially and is expected to double every five years, boosted by robust growth in television and print campaign.

Other revenue stream namely channel subscription is projected to grow significantly in the immediate future. Rise in disposable income owing to high growth in economy brings in more and more first time buyers especially in the rural and semi urban areas to the TV market. This will result in pay channel revenue becoming the primary contributor in the semi-urban and rural areas. Further there is substantial untapped potentials for conversion of the non cable and satellite households in to cable and satellite house holds. Owing to an increase in the upper middle class population and growing aspirations, the demand for multiple TVs is also expected to increase.

The position of television as mass medium for dissemination of information remains untouched. Landmark growth is projected in the television software segment over next few years.

Further to add, initiative of Government for various reform measures will also boost the television industry in general

Company Overview :

Raj Television Network Limited (BSE:532826 and NSE: RAJTVEQ) is one of the largest Tamil television and broadcasting companies in southern region. The Company caters primarily to Tamil populations residing in geographical hemisphere of the globe. The company incorporated in 1994 broadcasts four channels entertaining Tamil population. Raj TV, its flagship television channel launched in 1994 was the first general entertainment channel of the company. Raj digital plus is next to count, an exclusive movie channel. The company has launched its third channel, Raj Musix on 23rd January 2008. This channel is predominantly a niche channel targeting the youth. The channel beams programs on life style, celebrity and personal interaction, education, health, glamour, special day programs, cultural and musical programs. The company has launched its Tamil 24X7 Raj news channel on 23rd June 2008. This will cover wide range of programmes spanning Stock Markets, Business, Current Affairs, Health, Food, Education, Career, Achievers, Kids show etc. Two channels, Raj TV and Raj digital plus are free to air in Chennai and pay channels outside Chennai. But Raj Musix and Raj News are free channels. The company gets its revenue primarily from advertisement and subscription of channels.

OPPORTUNITIES AND THREATS :

Opportunities :

Digitization: The subscription revenue of the company is expected to grow because of availability of various distribution platforms like cable, CAS, DTH, IPTV, VOD etc.

Increasing ad spends: As the spends on advertisement is growing, the company is projecting substantial growth in advertisement revenue.

Threats:

There may be fall in margin on account of more and more new market players entering in to the industry, steep competition among the peer groups, slow down of general economic trends and other macro and micro economic factors.

Outlook:

As the Company's channels are now available in DTH, IPTV and other digital platforms besides cable distribution, the company is hopeful of adding more subscription revenue to its earning. Since there is an increase in advertisement spend and the company's TRP indicators are surging up ward, the earning capacity of the company will improve. The company is planning to launch few more new channels which will add both subscription and ad revenue once the channels are put in place. Further, the company is planning to produce and distribute movies in this financial year which will increase the revenue base substantially.

Segment:

The Company operates in single segment business viz; "Broadcasting".

COMPANY FINANCIALS:**Total Revenue:**

The total revenue of the company has increased by 51.50 % during the financial year 2007-08 from Rs. 3883.80 lakhs to Rs.5868.60 lakhs.

Total Expenses:

Total expenditure has increased by 56.44 % during the year 2007-08 from Rs.2273.45 lakhs to Rs.3556.53 lakhs.

Operating Profit (EBIDTA):

The Operating Profit of the company has increased by 43.58 % during the financial year 2007-08 from Rs. 1610.35 lakhs to Rs.2312.06 lakhs.

Profit before tax (PBT):

The Profit before tax (PBT) of the company has increased by 46.70 % during the financial year 2007-08 from Rs. 1413.54 lakhs to Rs.2073.67 lakhs.

Profit after tax (PAT):

The Profit after tax (PAT) of the company has increased by 46.70 % during the financial year 2007-08 from Rs. 922.50 lakhs to Rs.1347.45 lakhs.

Dividend:

The outgo on dividend including dividend distribution tax is Rs.227.75 lakhs (Previous Year Rs.162.01 lakhs).

Earning Per Share (EPS):

The earning per share has increased by 22.50 % for the financial year 2007-08 from 8.47 to 10.38.

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 man power.

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 funds. The company may need further funds for programming and acquiring the contents for the new channels. So, the financial performance of the company may slow down unless the company becomes successful in launching the new channels. 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 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.

The company has not borrowed any term loan and is a debt free company. The company is utilizing internal fund generations and the proceeds of initial public offering (IPO) for launching of the new channels. So launching of new channels will not affect the financial performance of the company. Further, the company will use its existing content library for its new channels which will reduce the operational expenses of the new channels.

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.

Forward Looking Statement:

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

On behalf of the Board

Place : Chennai
Date : July 28, 2008

Raajhendhran M.
Managing Director

MANAGING DIRECTOR'S DECLARATION ON CODE OF BUSINESS CONDUCT

To
The Members of
Raj Television Network Limited,

This is to inform that the Board has laid down a code of conduct for all Board Members and senior management of the Company. It is further confirmed that the Company has obtained from all Directors and senior management of the Company, affirmation in compliance with the Code of Business Conduct and Ethics.

On behalf of the Board

Place : Chennai
Date : July 28, 2008

Raajhendhran M.
Managing Director

CERTIFICATE

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, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Pratapkaran Paul & Co.
Chartered Accountant

Place : Chennai
Date : July 28, 2008

Pratapkaran Paul
Partner
M. No.23810

AUDITORS' REPORT TO THE MEMBERS OF RAJ TELEVISION NETWORK LIMITED

1. We have audited the attached Balance Sheet of RAJ TELEVISION NETWORK LIMITED as at 31st March 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by management in the preparation of financial statements and (d) evaluating the overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) amendment order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of audit.
- b) In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as directors in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2008
 - ii) In the case of Profit and loss Account, of the profit for the year ended 31st March 2008 and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For and on behalf of
PRATAPKARAN PAUL & CO.,
Chartered Accountants,**

Place : Chennai
Date : July 28, 2008

Pratapkaran Paul

Annexure referred to in paragraph 3 of Auditors' Report to the Members of RAJ TELEVISION NETWORK LIMITED on the accounts for the year ended 31st March 2008.

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

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

- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
- c) According to the information and explanation given to us, there is no dues of Service Tax, Income tax, Wealth tax, Employees State Insurance, Provident Fund, and cess and other undisputed statutory dues which have not been deposited on account of any dispute.
- 10) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year under report.
- 11) According to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
- 12) As explained to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13) In our opinion, the company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion, short-term loans are applied for the purpose of which they were obtained.
- 17) According to the information and explanation given to us, and based on financial statement of the Company, we report that no funds raised on Short-term basis have been used for long-term investment.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 19) The company has not issued debentures during the year.
- 20) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial Statement and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For and on behalf of
PRATAPKARAN PAUL & CO.,
Chartered Accountants,**

**Pratapkaran Paul
Partner.**

Place : Chennai
Date : July 28, 2008

BALANCE SHEET AS ON 31ST MARCH 2008

(Amount in Rs.)

SOURCES OF FUNDS	Sch. No.		As on 31.03.2008	As on 31.03.2007
Shareholder' Fund				
Share Capital	1	129,783,360		129,783,360
Reserves and Surplus	2	986,888,969	1,116,672,329	874,920,086
Deferred Tax Liability			60,978,367	64,058,390
Loan Fund				
Secured Loan	3		43,203,504	66,611,586
Total			1,220,854,200	1,135,373,422
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	517,832,290		410,387,395
Less: Accumulated Depreciation		119,348,160	398,484,130	99,005,811
Net Block				311,381,584
Current Assets, Loans and Advances				
Inventories	5	29,402,729		49,405,965
Sundry Debtors	6	410,482,666		213,095,608
Cash and Bank Balances		365,059,684		558,085,728
Loans and Advances	7	140,833,939	945,779,018	97,818,932
Less : Current Liabilities & Provisions	8	72,637,972	167,069,006	152,627,806
		94,431,034		
Net Current Assets			778,710,012	765,778,427
Miscellaneous Expenditure to the extent not written off			43,660,058	58,213,411
Total			1,220,854,200	1,135,373,422

Notes on Accounts and Significant Accounting policies

16

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

As per report of even date

For Pratapkar Paul & Co.,
Chartered Accountants.,

For and on behalf of the Board of Directors

Pratapkar Paul
Partner

Raajhendhran.M
Managing Director

M.Ravindran
Director

Lalit Kumar Mohanty
Company Secretary

Place : Chennai

Date : July 28, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

INCOME	Sch. No.		For the Year ended 31.03.2008	For the Year ended 31.03.2007
Revenue	9	538,601,841		385,638,635
Other Income	10	<u>48,257,594</u>	586,859,435	<u>388,379,312</u>
EXPENDITURE				
Operational Expenses	11	162,152,664		103,520,356
Administration and Selling Expenses	12	148,449,125		78,789,274
Establishment Expenses	13	<u>45,051,377</u>	355,653,166	<u>227,344,489</u>
Operating Profit			231,206,269	161,034,823
Financial Expenses	14	5,710,547		11,040,592
Depreciation	4	20,342,349	26,052,896	28,804,046
Profit After Depreciation			205,153,372	132,230,777
Add: Prior Period Adjustments Extra Ordinary Items	15	2,213,563 -	2,213,563 -	9,123,771 -
Profit Before Taxation			207,366,935	141,354,548
Provision for Taxation				
- Current		73,564,044		28,058,700
- Deferred Tax Current Year		(3,080,023)		19,521,241
- Fringe Benefit Tax		<u>2,138,033</u>	72,622,054	49,103,703
Profit After Tax			134,744,881	92,250,845
Interim Dividend			-	(892,055)
Tax on Interim Dividend			-	(125,111)
Proposed Dividend			(19,467,504)	(12,978,336)
Tax on Proposed Dividend			(3,308,502)	(2,205,668)
Amount transferred to general reserve			(6,737,244)	(4,612,542)
Amount transferred to Balance Sheet			105,231,631	71,437,133
Nominal Value of Share (in Rs)			10.00	10.00
Basic and diluted EPS before Extra Ordinary item(in Rs)			10.38	8.47
Basic and diluted EPS after Extra Ordinary item(in Rs)			10.38	8.47

Notes on Accounts and Significant
Accounting policies

16

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

As per report of even date

**For Pratapkaran Paul & Co.,
Chartered Accountants.,**

For and on behalf of the Board of Directors

Pratapkar Paul
Partner

Raajhendhran.M
Managing Director

M.Ravindran
Director

Lalit Kumar Mohanty
Company Secretary

Place : Chennai

Date : July 28, 2008

SCHEDULES TO BALANCE SHEET

	As on 31.03.2008	As on 31.03.2007
Schedule 1		
Share Capital		
Authorised Capital		
1,50,00,000 Equity Shares of Rs.10 each.	150,000,000	150,000,000
Issued, Subscribed and Paidup Share Capital		
1,29,78,336 Equity Shares of Rs.10 each.	129,783,360	129,783,360
	<u>129,783,360</u>	<u>129,783,360</u>
Schedule 2		
Reserves and Surplus		
(i) Securities Premium Account	561,602,418	561,602,418
(ii) Profit and Loss Account		
Balance, beginning of year	313,317,676	326,473,342
Add : Profit transferred from Profit & Loss Account	105,231,631	71,437,134
Less : Transfer made in terms of issue of bonus Shares	-	89,205,350
Balance, end of year	<u>418,549,307</u>	<u>308,705,126</u>
(iii) General Reserve Transferred from the profit & Loss Account	6,737,244	4,612,542
	<u>986,888,969</u>	<u>874,920,086</u>
Schedule 3		
Secured Loans		
Canara Bank		
Cash Credit	43,203,504	56,054,366
Term Loan	-	7,162,943
Vehicle Loan	-	3,394,277
	<u>43,203,504</u>	<u>66,611,586</u>

Schedule- 4
Fixed Assets

S.No	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2007	ADDITIONS	DELETIONS	AS ON 31.03.2008	AS ON 01.04.2007	RATE (%)	FOR THE PERIOD	AS ON 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007
1	LAND	77,907,147	—	—	77,907,147	—	—	—	—	77,907,147	77,907,147
2	BUILDING	14,324,963	3,490,640	—	17,815,603	1,790,369	1.63%	248,633	2,039,002	15,776,601	12,534,594
3	PLANT & MACHINERY	269,467,172	92,026,034	780,000	360,713,206	72,885,904	4.75%	14,367,427	87,253,331	273,459,875	196,581,268
4	COMPUTERS	9,983,170	11,453,915	—	21,437,085	6,968,862	16.21%	2,270,510	9,239,372	12,197,713	3,014,308
5	VEHICLES	31,348,570	1,227,403	200,000	32,375,973	14,073,886	9.50%	2,981,283	17,055,169	15,320,804	17,274,684
6	FURNITURE & FIXTURES	7,356,373	226,902	—	7,583,276	3,286,790	6.33%	474,496	3,761,286	3,821,990	4,069,583
	Total	410,387,395	108,424,894	980,000	517,832,290	99,005,811		20,342,349	119,348,160	398,484,130	311,381,584

SCHEDULES TO BALANCE SHEET
**As on
31.3.2008**
**As on
31.03.2007**
Schedule 5
Sundry Debtors

Unsecured and considered good

More than six months	287,972,982	66,926,343
Less than six months	122,509,684	146,169,265
Total	<u>410,482,666</u>	<u>213,095,608</u>

Schedule 6
Cash and Bank Balances

Cash in Hand	169,726	46,532
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Balances with Scheduled Bank in

Deposit Account	356,733,539	35,352,300
Current Account	8,156,420	522,686,897

Total	<u>365,059,684</u>	<u>558,085,728</u>
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Schedule 7
Loans and Advances and Deposit

Advance Recoverable in Cash or Kind or Value to be received	126,202,704	84,604,147
Deposits	14,631,235	13,214,785

Total	<u>140,833,939</u>	<u>97,818,932</u>
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Schedule 8
Current Liabilities

Creditors - Advance	23,203,767	24,438,384
Creditors - Capital items	17,901,032	1,180,000
Creditors - Expenses	31,533,173	127,009,422

Total	<u>72,637,972</u>	<u>152,627,806</u>
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SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT ENDED	For the Year ended 31.03.2008	For the Year ended 31.03.2007
Schedule 9		
Revenue		
Revenue from Broadcasting Operations	561,722,237	393,277,202
Revenue from Other Operations	9,568,579	10,491,845
Gross Revenue	571,290,816	403,769,047
Less : Service Tax	32,688,975	18,130,412
	538,601,841	385,638,635
Schedule 10		
Other Income		
Interest Income [TDS RS.72,81,832 (March 31, 2007 - Rs. 5,37,747/-)]	36,143,643	2,740,677
Other Income	12,113,951	—
	48,257,594	2,740,677
Schedule 11		
Operational Expenses		
Production Expenses	162,152,664	103,520,356
	162,152,664	103,520,356
Schedule 12		
Administration and Selling Expenses		
Advertisement Expenses	4,421,250	1,798,847
Audit Fees	200,000	224,480
Commission	7,862,519	7,757,114
Electricity Charges	4,232,713	3,517,159
Exchange Difference	1,143,931	—
Entertainment	2,233,291	942,823
Insurance	952,776	1,050,949
Internet & Website charges	1,435,857	3,477,635
Legal and Professional Fees	6,279,292	7,994,334
Office Maintenance	1,669,801	379,124
Bad Debts written off	55,122,578	—
Postage and Courier	924,276	2,630,888
Printing and Stationery	1,181,297	711,747
Rent, Rate, Taxes and Licence	6,595,141	3,318,537
Repair and Maintenance	6,033,845	4,882,647
Sales Promotion	17,744,172	5,582,809
Security Charges	485,665	355,350
Stamping Fees	190,000	—
Amortization of deferred revenue expenditure	14,553,353	14,553,353
Telephone Charges	2,528,219	3,400,796
Traveling and Conveyance	6,509,286	11,333,818
Vehicle Maintenance	3,934,222	4,143,619
Miscellaneous Expenses	2,215,642	733,245
	148,449,125	78,789,274

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT	Year Ended 31.3.2008	Year ended 31.3.2007
Schedule 13		
Establishment Expenses		
Directors Remuneration	6,500,000	8,030,000
Salary and Allowances	35,034,284	31,370,293
Staff Welfare	1,338,762	3,044,577
Contribution to Provident and other funds	1,792,635	1,556,859
Gratuity	385,696	1,033,130
	<u>45,051,377</u>	<u>45,034,859</u>
Schedule 14		
Financial Expenses		
Interest	4,817,724	10,294,488
Others	892,823	746,104
	<u>5,710,547</u>	<u>11,040,592</u>
Schedule 15		
Prior Period Adjustments		
Prior Period losses	—	—
Prior Period Income	2,213,563	9,123,771
	<u>2,213,563</u>	<u>9,123,771</u>

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

Schedule 16

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

- a) The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting policies and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- b) The company follows Mercantile System of accounting and recognizes items of income and expenditure on accrual basis except those with significant uncertainties.

2. Revenue Recognition

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

3. Fixed Assets

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

4. Depreciation

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

5. Inventories

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

6. Transaction in Foreign Currencies

- a) Export transactions denominated in Foreign currencies are normally recorded as per actual export realisation.
- b) The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of the contract.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

7. Retirement Benefits

- a) Contribution towards Provident Fund and other recognised funds are charged to Profit and loss Account.
- b) The Company contributes to gratuity fund based on actuarial valuation.

8. Segment reporting

The company has no reportable Business or Geographical segment.

9. Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred tax is recognised, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods and measured using relevant enacted tax rates. Deferred tax Assets arising from timing differences are recognised to the extent there is a reasonable certainty that these would be realised in future.

10. Miscellaneous Expenditure

Miscellaneous Expenditure include expenses incurred for Initial Public offer and are amortised over a period of 5 years.

11. Earning Per Share

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

- a) Basic Earning Per Share is computed and disclosed using the weighted average number of common shares outstanding during the year.
- b) Diluted Earning per Share is computed and disclosed using the weighted average number of common and diluted equity shares outstanding during the year.

12. Prior Period Item & Extra Ordinary Item

- a) 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".
- b) Income or Expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise are shown as "Extra Ordinary Items".

13. NOTES TO ACCOUNTS

1. Prior Year Comparatives

- a) Previous year's figures have been regrouped and reclassified wherever necessary to make them comparable to current year's figures.
- b) Figures in brackets pertain to previous year.

2. Secured Loans

A. Cash Credit with Banks are secured by

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

3. Fixed Assets.

Fixed Assets are valued and shown adopting the following basis:

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

4. Depreciation

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

5. Effects of Changes in Foreign Exchange Rates

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.
- b) The change in value of Foreign Currency liability due to increase or decrease in the exchange rate is adjusted against appropriate fixed assets.

6. Film and Program Broadcasting rights

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

7. Managerial Remuneration

- a) No commission is paid / payable to any director and hence the computation of profits under section 198 / 349 of the Companies Act, 1956 is not required.
- b) Remuneration paid or provided in accordance with the Schedule XIII of the Companies Act, 1956 to the directors is as follows:

Particulars	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
Directors Remuneration	6,500,000	8,000,000
Total	6,500,000	8,000,000

8. Auditor's Remuneration (*)

Particulars	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
a. For Audit	100,000	100,000
b. For Tax Audit	50,000	50,000
c. For Other Services	50,000	50,000
Total	200,000	200,000

(*) excluding service tax

9. Foreign Exchange Transactions

Particulars	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
I. Earnings in Foreign Exchange		
Export of TV Programme	9,554,534	8,106,274
Total	9,554,534	8,106,274
Expenditure in Foreign Exchange		
Transponder Hire Charges	-	14,400,821
Travelling	303,885	2,618,340
Production Expenses	879,428	707,843
Purchase of assets	32,888,052	-
Total	34,071,365	17,727,004

10. Related Party Disclosures

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

A. Related Parties :

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

M/S. Vissa Television Network Limited	Group Company
Raj Video Vision	Partnership Firm

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

Mr.M.Raajhendhran	Managing Director
Mr.M.Ravindran	Executive Director
Mr.M.Rajarathinam	Executive Director
Mr.M.Raghunathan	Executive Director
Mr.R.Rajagopalan	Non-Executive Director
Mr.A.Arjuna Pai	Non-Executive Director
Mr.D.R.Karthikeyan	Non-Executive Director
Dr.Mohan Kameswaran	Non-Executive Director

B. Transactions with Related Parties

	As at 31.03.08 in Rs	As at 31.03.07 in Rs
a) Remuneration		
Directors / Key Managerial Personnel	6,500,000	8,030,000
b) Balance as on 31st March		
i) Loans and Advances		
M/S.Vissa Television Network Limited	48,795,540	48,795,540
ii) Loans and Advances		
Raj Video vision		

11. Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and diluted potential equity shares outstanding during the period. The reconciliation between basic and diluted earnings per equity share is as follows:

Particulars	Units	Year ended 31.03.2007	Year ended 31.03.2008
a. Net profit after tax before Extraordinary Item	Rs.	134,744,881	92,250,846
b. Net profit after tax after Extraordinary Item		134,744,881	92,250,846
c. Weighted average of number of equity shares used in computing basic and diluted Earnings Per Share	No. of shares	12,978,336	10,897,750
d. Basic and Diluted EPS before Extra Ordinary Item (a/c)	Rs.	10.38	8.47
e. Basic and Diluted EPS after Extra Ordinary Item (b/c)	Rs.	10.38	8.47

12. Provision for Deferred Tax Liability

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

Particulars	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Deferred Tax Liabilities	Opening	Charged/ (Credited) to P&L	Closing
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return.	64,058,390	(3,080,023)	60,978,367
Total	64,058,390	(3,080,023)	60,978,367

13. Contingent Liability

Particulars	Year ended 31.03.2008 (Rs.)	Period ended 31.03.2007 (Rs.)
a) Bank Guarantee given for differential amount of Customs duty in respect of machinery imported under EPCG scheme.	7,733,300	7,733,300
b) Legal cases against the Company	Unascertainable	Unascertainable

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

For and on behalf of the Board of directors

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

Raajhendhran.M
Managing Director

M.Ravindran
Director

Lalitkumar Mohanty
Company Secretary

Pratakaran Paul
Partner.

Place : Chennai
Date : July 28, 2008

CASH FLOW STATEMENT

	As on 31.03.2008	As on 31.03.2007
A CASH FLOW FROM OPERATING ACTIVITIES		
1 Net Profit Before Tax and extra Ordinary Items	207,366,935	141,354,549
Adjustments for:		
2 Amortization of Deferred revenue expenditure	14,553,353	-
3 Depreciation	20,342,349	17,763,454
4 Interest paid	5,710,547	11,040,592
Operating Profit before working capital Changes	247,973,185	170,158,594
Adjustments for :		
6 Trade and Other Receivables	(177,383,822)	(171,877,748)
7 Loans and Advances	(43,015,007)	(41,486,944)
8 Trade Payable	14,441,200	82,203,918
Cash generated from Operation	42,015,555	38,997,821
9 Extra ordinary income		
10 Direct Tax	(75,702,077)	(29,582,462)
Net Cash from Operating Activities	(33,686,522)	9,415,359
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Assets	980,000	-
Purchase of Assets	(108,424,894)	(7,394,754)
Net cash from Investing Activities	(107,444,894)	(7,394,754)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Equity Share	-	526,125,947
Proceeds from long term Borrowings	-	13,195,820
Repayments of long term Borrowings	(23,408,082)	(10,466,943)
Interest	(5,710,547)	(11,040,592)
Dividend	(22,776,006)	(16,201,170)
Net cash from Financing Activities	(51,894,635)	501,613,062
Net Cash Flow During the year	(193,026,051)	503,633,667
Cash and Cash Equivalent as at 01.04.2007	558,085,728	54,452,062
Cash and Cash Equivalent as at 31.03.2008	365,059,684	558,085,728

For and on behalf of the Board of directors

Raajhendhran.M
Managing Director

M.Ravindran
Director

Lalit kumar Mohanty
Company Secretary

We have examined the above Cash Flow Statement of **M/s.RAJ TELEVISION NETWORK LIMITED** for the period ended March 31, 2008. The statement is based on and in agreement with the corresponding financial statement of the Company covered by our report of 28th July 2008 to the members of the company.

For Pratapkaran Paul & CO.,
Chartered Accountants,

Place : Chennai
Date : 28th July 2008

Pratapkaran Paul
Partner

PART IV BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details	
	Registration No.	027709
	State Code	18
	Balance Sheet Date	31.03.2008
II	Capital raised during the year (Amount in Thousands)	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placements	NIL
III	Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)	
	Total Liabilities	1,220,854
	Total Assets	1,220,854
	Source of Funds	
	Paid up Capital	129,783
	Reserves & Surplus	986,889
	Deffered Tax Liability	60,978
	Secured Loans	43,204
	Application of Funds	
	Net Fixed Assets	398,484
	Invesments	-
	Net Current Assets	778,710
	Miscellaneous Expenditure to the extent not written off	43,660
IV	Performance of Company (Amount in Rs. Thousands)	
	Turnover (including other income)	586,859
	Total Expenditure	379,492
	Profit / (Loss) Before Tax	207,367
	Profit / (Loss) After Tax	134,745
	Earnings Per share (in Rs.)	10.38
	Dividend	22,776
V	Generic Name(s) of Principal Products / Services of Company (as per monetary terms)	
	Item Code No.(ITC Code)	N.A.
	Product Description	Entertainment industry

For and on behalf of the Board of directors

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

Raajhendhran.M
Managing Director

M.Ravindran
Director

Lalitkumar Mohanty
Company Secretary

Pratapkaran Paul
Partner.

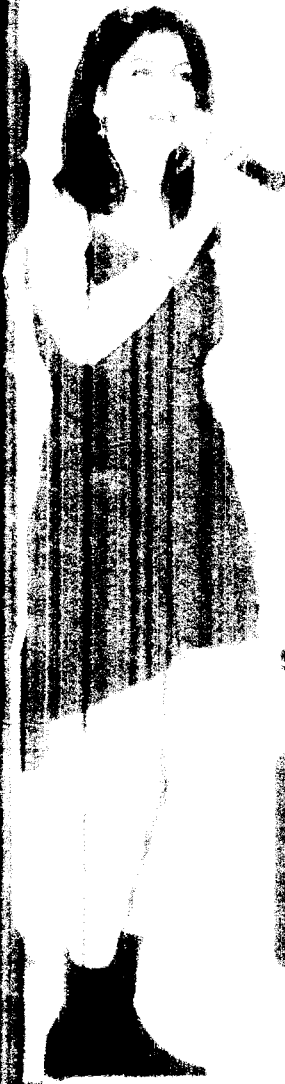
Place : Chennai
Date : July 28, 2008

NOTES

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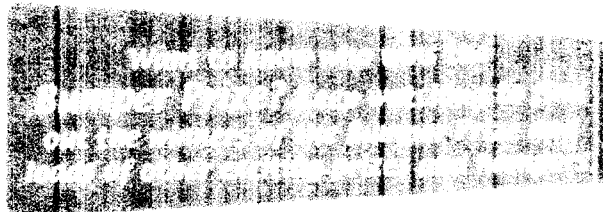
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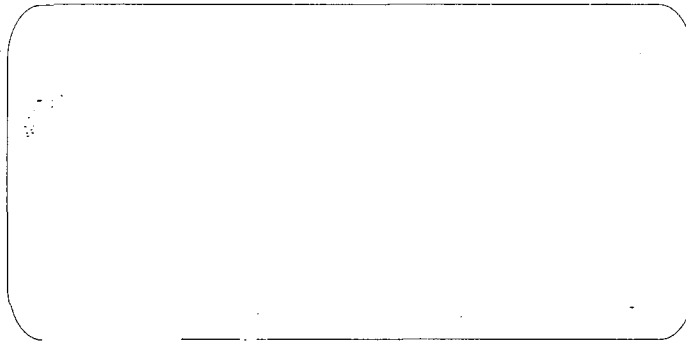


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