



SUN TV NETWORK LIMITED

Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600 028, India.
Tel : +91-44-4467 6767 Fax : +91-44-4067 6161 Email: tvinfo@sunnetwork.in
Website: www.suntv.in CIN.: L22110TN1985PLC012491

Form A

Covering Letter of the Annual Audit Report to be filed with the
BSE Limited / National Stock Exchange of India Limited



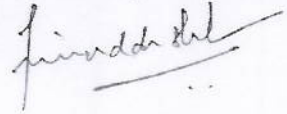

1	Name of the Company	Sun TV Network Limited
	BSE Limited	Scrip Code: 532733 - Scrip Id: SUNTV
	National Stock Exchange of India Limited	Symbol: SUNTV - Series: EQ
2	Annual Standalone and Consolidated Financial Statements for the year ended	31 st March, 2015
3	Type of Audit Observation	<p>Emphasis of Matter</p> <p>Without qualifying our opinion, we draw attention to notes 42 and 43, regarding matters of material uncertainty in relation to assets of the company and investments in subsidiaries respectively.</p> <p>Note 42. Provisional Attachment order from Enforcement Directorate:-</p> <p>Subsequent to March 31 2015, the Company and one of its subsidiaries, South Asia FM Limited ("SAFM"), have received an order from the Enforcement Directorate, Ministry of Finance, Government of India, provisionally attaching Freehold Land and Buildings of the Company aggregating Rs.266.76 crores and fixed deposits with banks and mutual fund investments aggregating Rs. 21.34 crores of SAFM, under the Prevention of Money Laundering Act, 2002 in connection with an investigation not involving the Company / SAFM. Based on the legal opinion received, the Management is confident that the said Provisional Attachment Order by the Enforcement Directorate is not tenable against the Company and / or SAFM. The Company has filed a Writ Petition challenging the said Order and the matter is pending before the Hon'ble High Court of Madras and management is confident of a favourable outcome in due course. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard. Furthermore, the Company / the Group continue to be in full possession of the assets sought to be attached and continue to use the same in the normal course of its business.</p> <p>Note 43. Investment in Subsidiaries operating in Radio business:-</p> <p>The Ministry of Information and Broadcasting of the Government of India ('MIB') has, during the year, invited applications for the e-Auction of Private FM Radio Phase - III. The Company, its subsidiaries and its investees have filed applications to migrate their existing FM Radio licenses (including three of which expired on 31 March 2015 and others expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime</p>





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		("FM License Migration Applications"), which are currently being processed by the MIB and their communication is awaited. Management is confident of receiving the approvals for the Company's FM License Migration Applications, which is essential for the continued operations of these FM Radio stations and the recoverability of the Company's investments, direct and indirect, in its radio operations / investees. Accordingly, no impairment to asset values and / or diminution other than temporary in the value of the related assets/investments, have been considered necessary in this regard.
4	Frequency of Audit Observation	First time
5	To be signed by Chief Executive Officer / Managing Director	For Sun TV Network Limited  K. Vijaykumar Managing Director and Chief Executive Officer
	Chief Financial Officer	For Sun TV Network Limited  V.C. Unnikrishnan Chief Financial Officer
	Auditor of the Company	Refer our Audit Report dated May 29, 2015 on the Standalone and Consolidated Financial Statements of the Company. For S.R. Batliboi & Associates LLP Chartered Accountants ICAI Firm registration number: 101049W  Aniruddh Sankaran Partner Membership No.: 211107
	Audit Committee Chairman	For Sun TV Network Limited  J. Ravindran Chairman - Audit Committee

SUN TV NETWORK LIMITED

Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600028

CIN: L22110TN1985PLC012491

Phone: 044-44676767 Fax: 044-40676161, Website: www.suntv.in, email: tvinfo@sunnetwork.in



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Shareholders of Sun TV Network Limited will be held at Kalaignar Arangam, Anna Arivalayam, 367 / 369, Anna Salai, Teynampet, Chennai - 600 018 on Friday, the 25th day of September 2015 at 10.00 a.m., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at March 31, 2015 including the Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in the place of Mr. K. Vijaykumar, (DIN 03578076) who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Statutory Auditors:

To consider and it thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration No: 101049W) as the Auditors of the Company approved by the shareholders at the 29th Annual General Meeting (AGM), for a term of three years, i.e. till the conclusion of 32nd AGM, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 31st AGM of the Company to be held in the year 2016, at such remuneration plus applicable taxes, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

BY ORDER OF THE BOARD

Place: Chennai
Date: July 31, 2015

R. RAVI
COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 30th Annual General Meeting of the company.

NOTICE TO THE SHAREHOLDERS

3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, form an integral part of the notice. The Director has furnished the requisite declaration for his appointment / re-appointment.
5. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.
6. **The Register of Members and Share Transfer books of the Company will remain closed from September 18, 2015 to September 25, 2015 (both days inclusive).**
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants, with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advice any change in their address immediately to the Company / Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited.
8. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the 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 / Registrars and Transfer Agent, M/s. Karvy Computershare Private Limited.

10. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 and subject to Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 30th Annual General Meeting (AGM) through e-voting service provided by M/s. Karvy Computershare Private Limited.

11. PROCEDURE FOR E-VOTING

In terms of Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 18, 2015 only shall be entitled to avail the facility of remote e-voting. The e-voting period will commence from Tuesday, September 22, 2015 at 9.00 am and will end at 5.00 pm on Thursday, September 24, 2015. The e-voting module will be disabled on September 24, 2015 at 5.00 pm. The voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in the case of electronic shareholding) as on the cut-off date i.e. September 18, 2015.

The Company has entered into an arrangement with M/s. Karvy Computershare Private Limited (Karvy) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- 1) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- 2) Enter the login credentials (i.e. user-id & password) mentioned on the Attendance Slip / Email forwarded through the electronic notice.

NOTICE TO THE SHAREHOLDERS

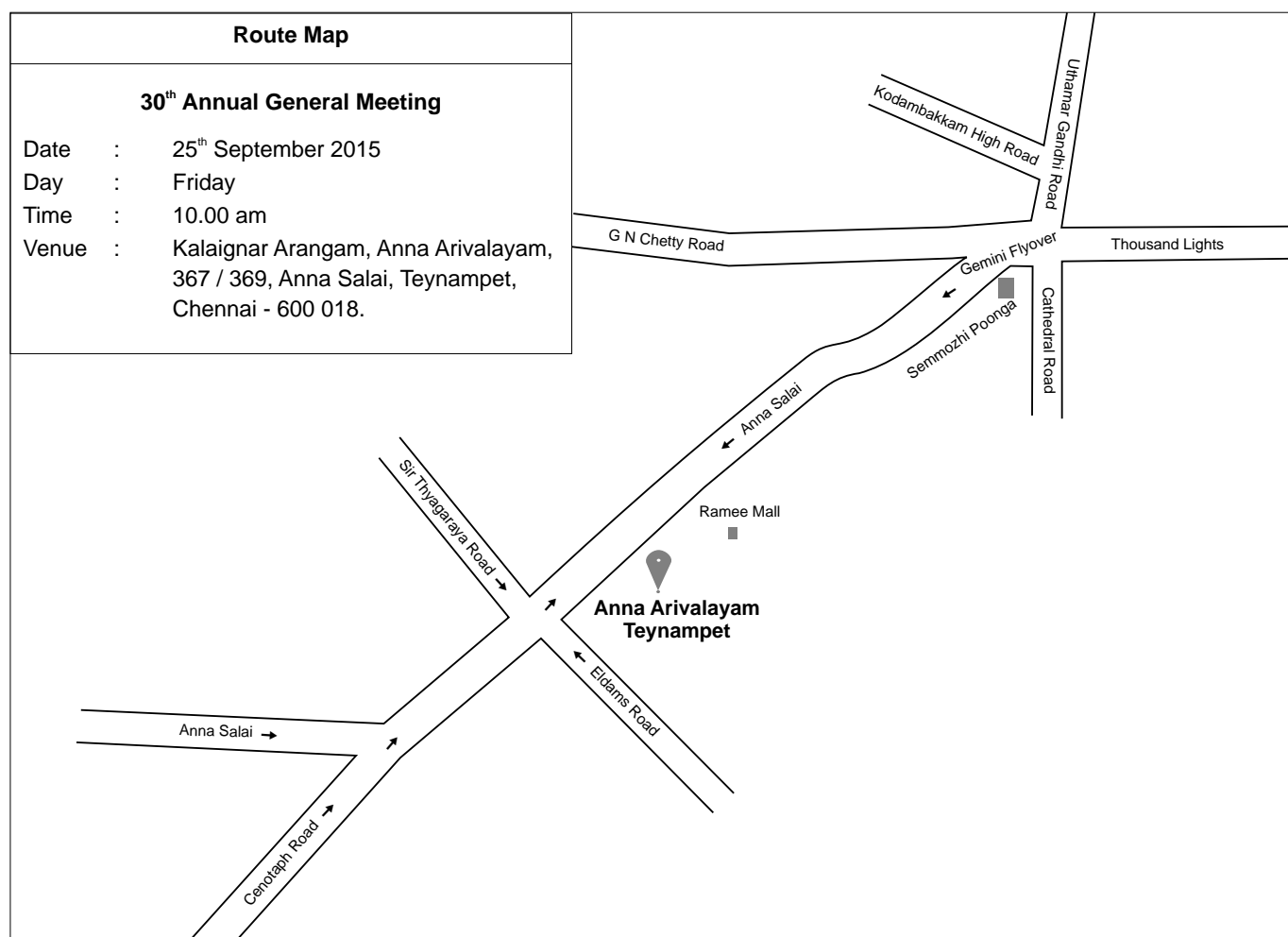
User - ID	For Shareholder(s) / Beneficial Owner(s) Holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- <ul style="list-style-type: none"> Folio Number registered with the company
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

- 3) After entering these details appropriately, click on "LOGIN".
- 4) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A - Z). One lower case (a - z), one numeric value (0 - 9) and a special character (like *, #, @ etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through M/s. Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile no, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.
- 5) You need to login again with the new credentials.
- 6) On successful login, system will prompt to select the 'Event' i.e., 'Sun TV Network Limited'.
- 7) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
- 8) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.
- 9) After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and 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.
- 10) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to change it subsequently or cast the vote again. You may participate in the general meeting even after exercising your right to vote through remote e-voting but shall not be allowed to vote again.
- 11) Corporate / Institutional Members (Corporate / FIs / FII's / Trust / Mutual Funds / Banks, etc) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to lakshmmi6@gmail.com with a copy to evoting@karvy.com. The file scanned image / pdf file of the Board Resolution should be in the naming format "Corporate Name".
- 12) Smt. Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretary (Membership No. 3534) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 13) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of the conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.suntv.in and on the website of Karvy. The results shall simultaneously be communicated to the Stock Exchanges (SE's).

Contact for issues relating to e-voting: M/s. Karvy Computershare Private Limited, plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Toll Free Number: 1-800-3454-001.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. K. Vijaykumar
Brief Profile	Mr. K. Vijaykumar, aged 50 years holds a Bachelor's Degree in Engineering from Bangalore University. He was appointed as the Managing Director & Chief Executive Officer of the Company with effect from April 20, 2012 and has over two decades of tremendous and rich experience in the media industry. He had been associated with Sun TV Network Limited since 1992. He is actively involved in the business and operations of Sun TV Network Limited including monitoring and execution of strategic initiatives.
Directorship held in other Companies (Excluding Private Companies and Foreign Companies)	Kal Radio Limited
Memberships / Chairmanships of Committees in Public Companies	He is Member of Audit Committee of Kal Radio Limited.
Shareholding	96 Equity Shares
Relationships between Directors inter-se	Nil



CORPORATE INFORMATION

BOARD OF DIRECTORS

Kalanithi Maran	Executive Chairman
K. Vijaykumar	Managing Director & Chief Executive Officer
S. Selvam	Director
Kavery Kalanithi	Executive Director
J. Ravindran	Independent Director
M.K. Harinarayanan	Independent Director
Nicholas Martin Paul	Independent Director
R. Ravivenkatesh	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

R. Ravi

BANKERS

Andhra Bank	Axis Bank
City Union Bank	Corporation Bank
HDFC Bank	ICICI Bank
Indian Bank	Indian Overseas Bank
Karur Vysya Bank	Kotak Mahindra Bank
Ratnakar Bank	Standard Chartered Bank
State Bank of India	Yes Bank

AUDITORS

M/s S.R. Batliboi & Associates LLP
Chartered Accountants,
6th & 7th Floor - 'A' Block
(Module 601,701,702)
Tidel Park, No. 4, Rajiv Gandhi Salai,
Taramani, Chennai - 600 113.

SECRETARIAL AUDITORS

M/s. Lakshmmi Subramanian & Associates
Company Secretaries,
Murugesu Naicker Office Complex,
No. 81, Greaves Road,
Chennai - 600 006.

REGISTERED OFFICE

Murasoli Maran Towers,
73, MRC Nagar Main Road,
MRC Nagar, Chennai - 600 028.
www.suntv.in

REGISTRAR AND SHARE TRANSFER AGENT

M/s Karvy Computershare Private Limited,
Plot Nos.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.
www.karvycomputershare.com

AUDIT COMMITTEE

J. Ravindran	Chairman
M.K. Harinarayanan	
Nicholas Martin Paul	
R. Ravivenkatesh	

NOMINATION & REMUNERATION COMMITTEE

J. Ravindran	Chairman
M.K. Harinarayanan	
Nicholas Martin Paul	
R. Ravivenkatesh	

STAKEHOLDERS RELATIONSHIP COMMITTEE

M.K. Harinarayanan	Chairman
J. Ravindran	
Nicholas Martin Paul	
R. Ravivenkatesh	

MANAGEMENT

Kalanithi Maran	Executive Chairman
K. Vijaykumar	Managing Director & Chief Executive Officer
Kavery Kalanithi	Executive Director
V. C. Unnikrishnan	Chief Financial Officer
C. Praveen	Chief Operating Officer
S. Kannan	Chief Technical Officer
R. Ravi	Company Secretary & Compliance Officer

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FINANCIAL PERFORMANCE FOR LAST 9 YEARS

(All amounts are in Crores of Indian Rupees, unless otherwise stated)

Financial Highlights

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Revenue	2,243.62	2,096.78	1817.62	1,757.37	1,923.71	1,395.01	1,008.20	861.06	676.95
Total Income	2,331.45	2,175.99	1,872.64	1,831.57	1,970.50	1,437.52	1,091.52	925.99	726.40
Operating Expenditure	629.41	635.07	440.73	356.70	365.82	284.46	236.61	239.18	195.12
PBITDA	1,702.04	1,542.59	1,431.91	1,474.87	1,604.68	1,153.06	854.91	686.81	531.28
Depreciation & Amortisation	587.83	453.34	413.18	443.00	447.38	285.44	184.92	113.03	119.29
Profit before Tax	1,111.99	1,084.71	1,013.94	1,026.32	1,155.32	866.42	666.10	568.22	408.90
Equity Dividend %	225%	190%	190%	190%	175%	150%	50%	50%	50%

Key Indicators

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Earnings per share (Rs.)	18.71	18.19	17.34	17.63	19.60	14.40	11.09	9.31	6.85
Book Value per share (Rs.)	85.76	80.49	73.41	67.12	60.54	51.13	45.49	37.32	61.86
PBITDA %	73%	71%	76%	81%	81%	80%	78%	74%	73%
Net Profit Margin %	32%	33%	36%	38%	39%	39%	40%	40%	37%
ROCE %	34%	35%	36%	40%	52%	45%	41%	43%	47%
RONW %	23%	24%	25%	28%	35%	30%	27%	27%	35%

Notes: 1. Face Value per share – Rs. 5/- 2. Bonus Issue in the ratio 1:1 in FY 2007 - 08

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Thirtieth Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2015.

FINANCIAL HIGHLIGHTS

The financial highlights for the year ended 31st March 2015 are given below:

(Rs. in Crores)

Particulars	For the year ended	
	31 st March, 2015	31 st March, 2014
Total Income	2,331.45	2,175.99
Total Expenditure (Excluding Interest & Financial Charges)	1,217.24	1,088.41
Profit before interest and tax	1,114.21	1,087.58
Interest & Financial Charges	2.22	2.87
Profit Before Tax	1,111.99	1,084.71
Provision for Taxation	374.76	367.75
Profit after tax	737.23	716.96
Accumulated Profit, beginning of the year	2,019.14	1,811.89
Interim Dividend	(443.35)	(285.71)
Tax on Interim Dividend	(85.98)	(48.56)
Proposed Dividend	-	(88.67)
Tax on Proposed Dividend	-	(15.07)
Transfer to General Reserve	-	(71.70)
Profit Carried Forward	2,227.04	2,019.14
Earnings Per Share (Face value Rs.5/-)	18.71	18.19

SUMMARY OF OPERATIONS:

The total Income for the year ended 31st March 2015 was Rs. 2,331.45 crores as against Rs. 2,175.99 crores during the previous year ended 31st March 2014. Profit Before Tax was Rs. 1,111.99 crores as against Rs. 1,084.71 crores in the previous year. Profit After Tax was Rs. 737.23 crores as against Rs. 716.96 crores in the previous year.

BUSINESS OVERVIEW

Your Company, one of the largest Television Broadcasters in India operating Satellite Television Channels across four languages of Tamil, Telugu, Kannada and Malayalam and presently airing FM radio stations across India continues to have sustained and increased viewership of its channels.

DIVIDEND:

During the financial year ended 31st March 2015, the Board of Directors has declared Interim Dividends of Rs. 2.25/- per equity share (45%), Rs. 2.25/- per equity share (45%) and Rs. 6.75/- per equity share (135%) declared at the Board Meetings held on August 8, 2014, November 7, 2014 and February 6, 2015 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 225%, i.e., Rs. 11.25/- per equity share of face value of Rs. 5.00/- each for the financial year ended 31st March 2015. (Prev. Year of 190%, i.e., Rs. 9.50/- per equity share of face value of Rs. 5.00/- each). The Payout ratio currently stands at 71.80%.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013 your Directors confirm that, to the best of their knowledge and belief:

- ▷ In the preparation of the Statement of Profit & Loss for the financial year ended 31st March, 2015 and Balance Sheet as at that date ("financial statements"), the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ▷ Appropriate accounting policies have been selected and applied them consistently and made such 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 as at the end of the financial year and of the profit of the Company for that period;
- ▷ Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function;
- ▷ The financial statements have been prepared on a going concern basis.
- ▷ Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- ▷ Proper systems are in place to ensure compliance of all laws applicable to the Company;

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Mr. K. Vijaykumar, Managing Director of the Company will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board of Directors recommend his re-appointment.

The information on the particulars of director eligible for re-appointment in terms of Clause 49 of the Listing Agreement has been provided in annexure to the notice convening the Annual General Meeting.

None of the Company's directors are disqualified from being appointed as a director as specified in Section 164 (2) of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT.

As required under Clause 49 of the Listing Agreement with the Stock exchanges, we continue to be a pioneer in benchmarking our corporate governance policies with the best in the media industry. The report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Various information required to be disclosed under the Companies Act, 2013 and Listing Agreement is set out in the Annexure - I and forms part of this report.

BUSINESS RESPONSIBILITY REPORT:

As mandated by SEBI and as per Clause 55 of the Listing Agreement with the Stock Exchanges, the Business Responsibility Report ("BR report") describing the initiatives taken by the Company from an Environmental, Social and Governance ("ESG") perspective as per SEBI's prescribed format, which is also in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' as prescribed by the Ministry of Corporate Affairs, has been adopted by the Company for the financial year 2014-15; which forms a part of the Annual Report. The Business Responsibility Report is also available on our website.

AUDITORS AND SECRETARIAL AUDITORS REPORT

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration No: 101049W) as the Auditors of the Company approved by the shareholders at the 29th Annual General Meeting (AGM), for a term of three years, i.e. till the conclusion of 32nd AGM, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 31st AGM of the Company to be held in the year 2016, at such remuneration plus applicable taxes, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

As per the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure VI.

There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee of the Board of Directors of the Company has, in accordance with Section 135 of the Companies Act, 2013 approved a CSR policy. The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure II to this Report along with a compliance certificate from Secretarial Auditor. Further details relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms part of this report.

SUBSIDIARY COMPANIES

Your Company has two subsidiaries viz., Kal Radio Limited and South Asia FM Limited. There has been no material change in the nature of business of the subsidiaries. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary. In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed Form AOC – 1 which forms part of the annual report.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

MATERIAL NON – LISTED SUBSIDIARY COMPANY

As per Clause 49 of the Listing Agreement, your Company has no material non – listed subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of your Company and its subsidiaries in the immediately preceding accounting year.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125(2) of the Companies Act, 2013, an amount of Rs. 0.76 Lakhs being unclaimed dividend, will be transferred during the current year to the Investor Education and Protection Fund established by the Central Government.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of Section 73 of the Companies Act, 2013 during the financial year ended 31st March 2015.

PARTICULARS OF EMPLOYEES

Sun TV Network Limited had 2005 employees as on 31st March 2015 (previously 2032). In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the required information is annexed and forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Directors Report is being sent to all the Shareholders of the Company excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

INFORMATION AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

The Company is engaged in Satellite Television Broadcasting operations and the information, as intended under Section 134 (3)(m) does not arise.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company uses the latest high definition (HD) digital technology in broadcasting its programs. The outdated technologies are constantly identified and updated with latest innovations.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Crores)

PARTICULARS	31 st March 2015	31 st March 2014
Foreign Exchange Earnings	148.85	125.50
Foreign Exchange Outgo	60.86	46.47

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

CONSOLIDATED FINANCIAL STATEMENTS

As required by Accounting Standard – AS 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements of the Company are attached. The Audited Consolidated Financial Statements also account for the minority interest of your Company's subsidiary South Asia FM Limited pursuant to the strategic alliance with Red FM.

CEO/CFO CERTIFICATION

The Managing Director & Chief Executive Officer and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Clause 49(IX) of the Listing Agreement, which forms part of the report.

APPRECIATION AND ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep appreciation of the dedication, hard work, solidarity, co-operation, support and commitment of employees at all levels in maintaining the sustained growth of your Company 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 – mainly the Ministry of Information and Broadcasting and the Department of Telecommunication – and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors, service providers as well as regulatory and governmental authorities and stock exchanges, for their continued support.

On behalf of the Board

Place: Chennai
Date: May 29, 2015

Kalanithi Maran
Chairman

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ANNEXURE - I

1. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure II to this Report

2. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Section 92 (3) of the Companies Act, 2013 is enclosed in Annexure III in the prescribed form MGT – 9 and forms part of this Report.

3. NUMBER OF MEETINGS OF THE BOARD

During the year, four Board Meetings were held. The details of meetings are furnished in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

4. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

5. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in Section 178 (3) of the Companies Act, 2013 are covered in the Corporate Governance Report which forms part of the report. Further, information about elements of remuneration package of individual directors are provided in the extract of Annual Return as provided in the Annexure III, in the prescribed form MGT – 9.

6. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

7. TRANSACTIONS WITH RELATED PARTIES

The information on material transactions with related parties pursuant to Section 134 (3) (h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC – 2 is annexed to this report as Annexure IV.

8. INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion & Analysis Report, which is attached and forms part of the report.

9. RISK MANAGEMENT

As per the Clause 49 of the Listing Agreement, the Board has constituted a Risk Management Committee comprising of Independent Directors. The Risk Management is overseen by the

ANNEXURE - I

Risk Management Committee of the Company on a continuous basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which forms part of the report.

10. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization programme of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of policy are explained in the Corporate Governance Report.

12. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The financial position of each of the subsidiaries is provided in a separate statement AOC – 1, attached to the Financial Statement pursuant to first proviso of Section 129(3) of the Companies Act, 2013 as Annexure -V.

13. INDEPENDENT DIRECTOR'S MEETING

As per the Clause 49 of the Listing Agreement, a separate meeting of Independent Directors was held during the year. The detailed information is explained in the Corporate Governance Report.

14. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out a formal annual performance evaluation of its own performance, the directors individually as well as the functioning of its committees. A detailed explanation has been given in the Corporate Governance Report.

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ANNEXURE II : ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Section 135 of the Companies Act, 2013 read with The Companies (CSR Policy) Rules, 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes

The Corporate Social Responsibility Committee of the Board had approved a CSR policy with primary focus on health care, women empowerment, environmental sustainability and contributing to rural development projects. Besides these focus areas, the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013.

The CSR Policy of the Company can be viewed on <http://www.suntv.in>

2. Composition of the CSR Committee

Mr. K. Vijaykumar - Chairman
Mrs. Kavery Kalanithi - Member
Mr. Nicholas Martin Paul - Member

3. Average net profit of the company for the last three financial years – Rs.1,039.63 Crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

The Company is required to spend Rs. 20.79 Crore towards CSR.

5. Details of CSR spend during the financial year:

- Total amount to be spent for the financial year – Rs. 20.79 Crore
- Amount unspent, if any – Rs. 15.17 Crore
- Manner in which the amount spent during the financial year is detailed below :

(Rs. in Crores)

S.No	Projects/Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount spent on the project or programs	Cumulative Expenditure upto the reporting periods	Amount spent : Direct or through implementing agency
1.	Prime Minister's National Relief Fund	Relief for flood affected people	Jammu & Kashmir	-	1.00	1.00	Direct
2.	The Andhra Pradesh Chief Minister's Relief Fund	Relief for flood affected people	Andhra Pradesh	-	3.50	3.50	Direct
3.	Education to poor children	Promoting Education	Across India	-	1.12	1.12	Through Trust - Sun Foundation
	Total				5.62	5.62	

6. The Company has partially expended 2% of its average net profits made during the immediately three preceeding financial years as per section 135(5) of Companies Act, 2013 in pursuance of its corporate social responsibility policy since the company is yet to identify suitable projects.

7. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

K. Vijaykumar
Chairman of CSR Committee

Nicholas Martin Paul
Director

ANNEXURE III
FORM MGT - 9 : EXTRACT OF ANNUAL RETURN

As on the financial year ended 31/03/2015
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L22110TN1985PLC012491
Registration Date	18/12/1985
Name of the Company	Sun TV Network Limited
Category/Sub - Category of the Company	Public Company Limited by Shares
Address of the Registered Office	Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028.
Whether listed company	Yes
Name, address of Registrar and Transfer Agent, if any	M/s Karvy Computershare Private Limited, Plot Nos.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Broadcasting Services	92132	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and address of the company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kal Radio Limited Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028	U92131TN2005PLC057755	Subsidiary	97.78 %	2(87)
2.	South Asia FM Limited Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028	U92131TN2005PLC057987	Subsidiary	59.15 %	2(87)

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1) *Category-wise Share Holding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual / HUF	29,55,63,457	-	29,55,63,457	75.00	29,55,63,457	-	29,55,63,457	75.00	NIL
(b) Central Govt	-	-	-	-	-	-	-	-	-
© State Govt (s)	-	-	-	-	-	-	-	-	-
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	29,55,63,457	-	29,55,63,457	75.00	29,55,63,457	-	29,55,63,457	75.00	NIL

ANNEXURE III
FORM MGT - 9 : EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)									
(a) NRIs	-	-	-	-	-	-	-	-	-
- Individuals	-	-	-	-	-	-	-	-	-
(b) Other	-	-	-	-	-	-	-	-	-
- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total									
Shareholding of Promoter (A)= (A) (1) + (A) (2)	29,55,63,457	-	29,55,63,457	75.00	29,55,63,457	-	29,55,63,457	75.00	NIL

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	75,19,197		75,19,197	1.91	39,25,105	-	39,25,105	1.00	(0.91)
(b) Banks/FI	29,397		29,397	0.01	3,576	-	3,576	0.00	(0.01)
(c) Central Govt	-		-	-	-	-	-	-	-
(d) State Govt (s)	-		-	-	-	-	-	-	--
(e) Venture Capital funds	-		-	-	-	-	-	-	--
(f) Insurance Companies	3,25,000	-	3,25,000	0.08	25,000	-	25,000	0.01	(0.07)
(g) FIIs	6,30,61,063	-	6,30,61,063	16.00	7,46,47,477	-	7,46,47,477	18.94	2.94
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-		-	-	-	-	-	-	--
Sub-Total (B)(1)	7,09,34,657		7,09,34,657	18.00	7,86,01,158		7,86,01,158	19.95	1.95

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year			% of Total Shares	No. of Shares held at the end of the year			% of Total Shares	% of Change during the Year
	Demat	Physical	Total		Demat	Physical	Total		
(2)									
a) Bodies Corporate									
i. Indian	51,98,020		51,98,020	1.32	3,03,039		3,03,039	0.08	(1.24)
ii. Overseas									
(a) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	33,80,733	476	33,81,209	0.86	1,75,02,805	497	18,18,235	0.46	(0.40)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,74,40,252		1,74,40,252	4.43	1,75,02,805		1,75,02,805	4.44	0.01
NRIs	9,28,226		92,82,226	0.24	2,17,460		2,17,460	0.05	(0.19)
Clearing									
Members	6,36,799		6,36,799	0.16	78,466		78,466	0.02	(0.14)
Trust	2,000		2,000	0.00	-		-	-	-
Sub-Total (B)(2) Total Public	2,75,86,030	476	2,75,86,506	7.00	1,99,19,508	497	1,99,20,005	5.05	(1.95)
Shareholding = (B) (1) + (B) (2)	9,85,20,687	476	9,85,21,163	25.00	9,85,20,666	497	9,85,21,163	25.00	NIL
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A+B+C)	39,40,84,144	476	39,40,84,620	100.00	39,40,84,123	497	39,40,84,620	100.00	NIL

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters:

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered	
1	Mr. Kalanithi Maran	29,55,63,457	75.00	1,88,98,047	29,55,63,457	75.00	2,98,78,909	NIL
	Total	29,55,63,457	75.00	1,88,98,047	29,55,63,457	75.00	2,98,78,909	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of total Shares of the company
	At the beginning of the year	29,55,63,457	75.00	75.00			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):						
	At the End of the year				29,55,63,457	75.00	75.00

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Selvam Selvi	71,51,720	1.82	71,16,720	1.81
2.	DVI Fund Mauritius Limited	65,94,800	1.67	1,03,45,290	2.63
3.	Macquarie Bank Limited	49,24,371	1.25	1,61,800	0.04
4.	Government Pension Fund Global	44,99,996	1.14	64,41,952	1.74
5.	Merrill Lynch Capital Markets Espana S.A. S.V.	44,56,370	1.13	11,57,614	0.29
6.	Amansa Capital Pte Limited A/C Amansa Holdings Private Limited	38,99,250	0.99	0	0.00
7.	Route One Investment Company, L.P. A/C Route One Fund I. L.P.	38,45,160	0.98	0	0.00
8.	Route One Investment Company, L.P. A/C Route One Offshore Master Fund I. L.P.	35,04,726	0.89	0	0.00
9.	Morgan Stanley Asia (Singapore) Pte. Ltd.	33,90,197	0.86	0	0.00
10.	Ashoka Pte. Ltd.	29,40,173	0.75	10,80,969	0.27

(v). Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Directors				
1.	Mr. Kalanithi Maran Executive Chairman At the beginning of the year Date wise increase/decrease in shareholding during the year the end of the year	29,55,63,457 - -	75.00 - -	29,55,63,457 75.00	
2.	Mr. K. Vijaykumar Managing Director & CEO At the beginning of the year Date wise increase/decrease in shareholding during the year At the end of the year	96 - -	0.00 - -	96 0.00	
3.	Mr. S. Selvam At the beginning of the year Date wise increase/decrease in shareholding during the year	68,59,805 -	1.74 -	68,59,805 1.74	
4.	Mr. R. Ravivenkatesh At the beginning of the year Date wise increase/decrease in shareholding during the year	16,000 -	0.004 -	16,000 0.004	
5.	Key Managerial Personnel Mr. V.C. Unnikrishnan - At the beginning of the year Date wise increase/decrease in shareholding during the year At the end of the year	200 - -	0.00 - -	200 0.00	

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				NIL
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				NIL
Total (i+ii+iii)				

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. *Remuneration to Managing Director, Whole-time Directors and / or Manager:*

(Rs. in Crores)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Kalanithi Maran	Mrs. Kavery Kalanithi	Mr. K. Vijaykumar	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.14	13.14	0.87	27.15
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961*	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Ex-gratia / Bonus	48.13	48.12	-	96.25
5	Others, please specify	-	-	-	-
Total (A)		61.27	61.26	0.87	123.40
Ceiling as per the Act					123.40

*Perquisites amounted to Rs. 39,600/-, Rs. 39,600/- and Rs. 10,800/- respectively.

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		J. Ravindran	Nicholas Martin Paul	M.K. Harinarayanan	R. Ravivenkatesh	
	3. Independent Directors					
	• Fee for attending board / committee meetings	14,000	26,000	26,000	20,000	86,000
	• Commission	-	-	-	-	-
	Total (1)	14,000	26,000	26,000	20,000	86,000
	Name of the Director	S. Selvam				
	4. Other Non-Executive Directors					
	• Fee for attending board / committee meetings	8,000	-	-	-	8,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	8,000	-	-	-	8,000
	Total (B) = (1)+(2)					
	Total Managerial Remuneration					94,000
	Overall Ceiling as per the Act					

C.Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:						(Rs. in Crores)
S. No.	Particulars of Remuneration	Key Managerial Personnel		Total		
		Company Secretary	Chief Financial Officer			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.17	0.73	0.90		
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-		
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		
2	Stock Option	-	-	-		
3	Sweat Equity	-	-	-		
4	Commission - as a % of profit	-	-	-		
5	Others, please specify	-	-	-		
Total (A)		0.17	0.73	0.90		

*Perquisites amounted to Rs. 7,200/- and Rs. 10,800/- respectively.

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

**ANNEXURE - IV
FORM AOC – 2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions at arm's length basis
 - a) Name(s) of the related party and nature of relationship - Sun Direct TV Private Limited, Enterprise in which Key Management Personnel or their relatives have significant influence.
 - b) Nature of transaction - Distribution of channels through the DTH platform of Sun Direct TV Private Limited.
 - c) Duration of the transaction - Three years.
 - d) Salient terms of the transaction including the value, if any - Sun Direct TV Private Limited will have the non-exclusive right to distribute Sun TV Network Limited's the channels through its DTH platform and agrees to pay license fee to Sun TV Network Limited. The cumulative total fee shall not exceed the estimated value of Rs. 1,000 crores per annum.
 - e) Date of approval by the Board, if any - 7th November, 2014
 - f) Amount paid as advances, if any - NIL

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ANNEXURE - V FORM AOC – 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries

(All amounts are in Crores of Indian Rupees)

S. No.	Particulars	Name of the Subsidiaries	
		Kal Radio Limited	South Asia FM Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2014 to 31st March, 2015	1st April, 2014 to 31st March, 2015
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
3.	Share Capital	176.94	483.86
4.	Reserves & Surplus	(2.45)	(169.73)
5.	Total Assets	191.04	335.61
6.	Total Liabilities	191.04	335.61
7.	Investments	33.90	194.25
8.	Turnover	74.17	79.08
9.	Profit before taxation	27.19	19.50
10.	Provision for taxation	1.20	-
11.	Profit after taxation	25.99	19.50
12.	Proposed Dividend	-	-
13.	% of Shareholding	97.78 %	59.15%

Part “B”: Associates and Joint Ventures

(Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

NIL

ANNEXURE - VI SECRETARIAL AUDIT REPORT

Secretarial Audit Report

for the financial year ended 31st March 2015

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Sun TV Network Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SUN TV NETWORK LIMITED (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SUN TV NETWORK LIMITED ("the Company") for the financial year ended on 31st March, 2015 according to the provisions as applicable to the Company during the period of audit:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Exchange Management (Current Account Transactions) Rules, 2000, Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, and Import of good and services.
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (ii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
 - (iii). The Securities and Exchange of Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

ANNEXURE - VI SECRETARIAL AUDIT REPORT

- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iv) The below mentioned are the laws / Regulations (as amended from time to time), as informed and certified by the management of the Company which are specifically applicable to the Company based on their industry;
 - (a) Uplinking / downlinking policy / guidelines issued by Ministry of Information and Broadcasting;
 - (b) The Cable Television Network (Regulations) Act, 1995 and rules framed thereunder;
 - (c) Intellectual Property Rights related laws;
 - (d) Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013 issued by Telecom Regulatory Authority of India; and
 - (e) The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable for the audit period).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above subject to the following observations:

1. The Company has partially expended 2% of its average net profits made during the immediately three preceeding financial years as per section 135(5) of Companies Act, 2013 in pursuance of its corporate social responsibility policy since the company is yet to identify suitable projects.
2. The Company has filed a compounding application with the Reserve Bank of India ('RBI'), Mumbai for regularizing the payment made towards transponder service charges and the same is pending for disposal before RBI.
3. The forms are generally filed with the Ministry of Corporate Affairs within the prescribed time except certain instances of delay.

We further report that there were no actions / events in the pursuance of

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

**ANNEXURE - VI
SECRETARIAL AUDIT REPORT**

- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, company is in the process of improving internal control systems and mechanism to monitor and ensure compliance with applicable laws including Industrial Laws, Human Resources and labour laws.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is constituted with a balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the information and explanation given by the Company, its officers and authorized representatives during the conduct of the audit, all decisions at Board Meetings and Committee Meetings are carried out unanimously.

We further report that during the audit period, no events, have occurred which have a major bearing on the Company's affairs.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.NO. 1087

Place: Chennai

Date: July 31, 2015

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

ANNEXURE - VII REMUNERATION POLICY

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time.

Objective and purpose:

- i. To guide the board by laying down criteria and terms and conditions in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board.
- iii. To recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and formulate criteria for remuneration payable to Senior Management Personnel and other employees.
- iv. To provide Key Managerial Personnel and Senior Management performance based incentives / rewards relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long-term sustainability of talented Senior Management and create competitive advantage through a structured talent review.

Definitions:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961;

"Key Managerial Personnel" means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.

"Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment of Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. The Company should ensure that it appoints or continues the employment of any person as Managing Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013.
- iii. To ensure that Company shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Act and Clause 49 of the Listing Agreement.

ANNEXURE VII REMUNERATION POLICY

TERM/TENURE

a) Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

ANNEXURE VII REMUNERATION POLICY

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- i. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ii. The Committee may delegate any of its powers to one or more of its members.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The figures have been stated in Rs. Crores for better readability.

Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

INDUSTRY

The Indian media and entertainment (M&E) industry is on an impressive growth path with its various segments - film, television, advertising, prints media and music among others witnessing tremendous growth in the last few years. The Indian Government, considering that the industry plays a significant role in creating awareness on many issues that impact the masses and India's population which is over 1.2 billion has supported growth of this industry by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance. In the media and entertainment industry, digital media continued its rapid penetration, the Digital India programme announced by the government of India set to transform India into a digitally empowered society and knowledge economy'. India topped as the world's fastest growing smartphone market. This growth presents a good opportunity for digital content aggregators, advertisers, app developers and online streaming companies to engage users through relevant mobile-led strategies. The advent of 4G services, healthy growth in the number of 3G subscribers, continued adoption of 2G by the masses in the hinterlands and concerted efforts by various digital ecosystem players under the 'Digital India' initiative, have played a major role in making this growth possible. This is helping in emergence of new business models and revenue streams.

The television industry continued to have a dynamic operating environment in 2014. Television advertising bounced back significantly on account of elections and improved macro-economic environment leading to companies increasing their ad spends. E-commerce emerged as a key sector driving growth, followed by mobile handset companies. The ecosystem for TV ad revenue growth is expected to remain strong in 2015 on account of the rebound in the India growth story. The implementation of the viewership measurement system by Broadcast Audience Research Council (BARC) in 2015, will likely impact the way advertising spend is allocated among different genres and channels, due to inclusion of new markets and increase in sample size.

In the case of Radio Industry the year 2014 was an important year as the Government started proceedings on the much delayed and highly anticipated Phase III auctions. Although the final auctions would be due in the latter half of 2015, the Government has given its nod to the partial auctions for 135 channels in 69 cities. It is believed that Phase III, which had been delayed for more than two years, could herald a new era in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Sun TV Network Limited (Sun Network) maintains its dominant position in the southern states of India as one of the largest television and radio entertainment Company in India with a portfolio of Satellite Television Channels spread across four languages and in genres of GEC, news, music, action, life, movies, kids and comedy. Sun Network also has a large network pan India in the FM Radio broadcasting segment along with its subsidiaries. Sun Network continues to consolidate its leadership position, built over the years, by fortifying its hold over key aspects of pricing and access to quality content. Sun Network has a distinct advantage in the southern regional markets on account of its insightful understanding of the regional preferences and with key competitive strengths including that of a large movie library of regional languages. Sun Network is the preferred choice for content providers as it is the only player with maximum reach in the areas it operates.

OPPORTUNITIES AND THREATS

Opportunities:

The on going digitalization of content, shift to online and mobile distribution of content and the rapid pace of invocation create opportunities to serve new customers in new markets. The presence of large and wealthy Indian diaspora abroad is another powerful enabler for market expansion abroad.

The M&E industry influenced by digitalization, the convergence of TV, mobile telephony and the Internet poised for a growth trend. The fact that significant households of India are still without television connectivity highlights the scope of growth in the segment. The majority of the revenue generated in the television industry is through advertisements, followed by subscription. Strong growth projected in DTH, Digital Cable segment would result in substantial increase in subscription revenue over the years to come. Increasing interest in regional content among Indian population across the borders, results in increased overseas viewership thereby attracting foreign investment. Radio broadcasting in India, which is still in its infancy, is evolving to be a revenue spinner in the coming years.

Threats:

It is difficult to predict our revenues and expenses as they fluctuate significantly given the nature of the markets in which we operate. This increases the likelihood that our results could fall below the expectation of market analysts. Certain threats are summarized below:

- Advertising income continue to be the major source of Sun Network's revenues, which could decline due to a variety of factors.
- The commercial success of Sun Network depends on our ability to cater to viewer performance and maintain high audience shares which could be affected.
- The competition and increasing prices may adversely affect our ability to acquire desired programming and artistic talent.
- Sun Network operates in an intensely competitive industry.
- Sun Network is a regional broadcaster, which may limit our opportunities for growth as well as our attractiveness to advertising customers and others.
- Technological failures could adversely affect our business.
- Our inability to effectively deploy and manage funds could affect our profitability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SEGMENT

Sun Network operations predominantly relate to a single segment "Broadcasting".

OUTLOOK

Sun Network with its presence across genres like general entertainment, movies, music, news, kids, action, life and with a dominant market share in the four southern states of India (Tamil Nadu, Kerala, Karnataka and Andhra Pradesh) ensures continued and sustained viewership and prominent role in the Media and Entertainment Industry. A steady flow of highly popular programs and a dominant share of audience viewership have given the network tremendous pricing power vis-a-vis competitors.

The drive initiated by Government towards digitalisation and addressability for cable television would help Sun TV Network, being the largest regional television network to be one of the major beneficiaries of the recent growth in the DTH space, it is expected that this new stream of revenue for the Company arising from the increased DTH subscriber base in South India would maintain a positive momentum in the coming years.

FINANCE AND HUMAN RESOURCE

Finance:

The Total Income for the year ended 31st March 2015 was Rs.2,331.45 crores as against Rs.2,175.99 crores during the previous year ended 31st March 2014. Profit Before Tax was Rs.1,111.99 crores as against Rs.1,084.71 crores in the previous year. Profit After Tax was Rs.737.23 crores as against Rs.716.96 crores in the previous year. During the financial year ended 31st March 2015, the Board of Directors has declared Interim Dividends of Rs.2.25/- per equity share (45%), Rs.2.25/- per equity share (45%) and Rs.6.75/- per equity share (135%) declared at the Board Meetings held on August 8, 2014, November 7, 2014 and February 6, 2015 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 225%, i.e., Rs.11.25/- per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2015. (Prev. Year of 190%, i.e., Rs 9.50/- per equity share of face value of Rs.5.00/- each). The Reserve and surplus of the Company as on 31st March 2015 stood at Rs. 3,182.66 crores as against Rs. 2,974.76 crores as on 31st March 2014.

Human Resources:

At Sun Network, with 2005 employees, human resource is a key asset capital and an important business driver for the Company's sustained growth and profitability. Hence, we at Sun Network believe that training, like all organizational development processes cannot be a function of time, but rather an ongoing process with the developmental needs and business planning processes being formalized constantly. A continuous review of the monitoring process is underway and procedures and systems are being institutionalized across the organization.

FINANCIAL REVIEW & RISK MANAGEMENT (INCLUDING INTERNAL CONTROL)

Separate report on this is annexed.

On behalf of the Board

Place: Chennai
Date: July 31, 2015

K. Vijaykumar
Managing Director &
Chief Executive Officer

FINANCIAL REVIEW 2014-15

(Pursuant to clause 49(II) (E) (1) of the Listing Agreement)

1. EARNINGS

Total Income

The total Income for the year ended 31st March 2015 was Rs. 2,331.45 crores as against Rs. 2,175.99 crores during the previous year ended 31st March 2014. The sustained growth and consistent higher margins are reflective of the Company's continued dominance in broadcasting business in the southern states.

Profit before tax (PBT) and Profit after tax (PAT)

Profit Before Tax was Rs.1,111.99 crores as against Rs.1,084.71 crores in the previous year. Profit After Tax was Rs. 737.23 crores as against Rs. 716.96 crores in the previous year.

Dividend

The outgo on account of interim and final dividend including dividend tax is Rs. 529.33 crores (previous year Rs. 438.01 crores).

2. FINANCIAL POSITION

Shareholder's Funds

Shareholders' Fund as on 31st March 2015 was Rs. 3,379.70 crores (previous year Rs. 3,171.80 crores).

Loan funds

The Company is debt free and had no loan funds – secured or unsecured as on 31st March 2015 (previous year Rs. Nil).

Assets

Net block of fixed assets were at Rs. 714.50 crores. The addition to fixed assets for the year was Rs. 24.87 crores. The capital expenditure was funded through internal accruals. Net block of intangible assets and capital work in progress (including capital advances and intangible assets under development) as on 31st March 2015 were at Rs. 359.65 crores and Rs. 0.49 crores respectively.

3. RATIOS

Earnings per share

The Earnings per share of face value of Rs. 5.00 for the year ended 31st March 2015 is Rs. 18.71 (previous year Rs. 18.19).

4. RISK ANALYSIS AND MANAGEMENT

Risk is an inherent feature of any business activity, more so when the dependence is on the consistency on the deliverables of the Company and linked to the sustained support from the viewers and advertisers community at large. Like every organization, Sun TV Network Limited (Sun Network) business is also impacted by a number of factors. Given below is an overview of some of the major risks affecting any business and Sun's position vis-à-vis these risks.

PRINCIPAL RISKS AND THEIR MITIGATION

STRATEGIC RISK

The performance and growth of media industry are dependent on the health of the Indian economy and in particular the economies of the regional markets it serves. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

FINANCIAL REVIEW 2014-15*(Pursuant to clause 49(II) (E) (1) of the Listing Agreement)*

The media industry in India has been continuously fraught with regulatory issues including those of license, investment caps and ownership limits. Regulation such as ban on multi frequency ownership in the same city for Radio, FDI Cap of 26% in broadcasting, no dubbing of content (Kannada Market) are some of the regulations holding this industry back. Although Sun Network has performed well in spite of these adversities, further regulatory changes always remain a concern.

Sun TV Network has been able to capitalize on its leadership position built over the years, by fortifying its hold over quality content. It is able to practice its strategy of selling telecast slots under exclusive agreements and additionally ensuring a continued supply of quality content. A steady flow of highly popular programs and a dominant share of audience viewership have given the network tremendous pricing power vis-à-vis competitors. South India produces the largest number of films per year and with huge movie following target audience, Sun Network ensures access to popular content, by purchasing larger quantum of all South Indian movie on a perpetual rights basis.

Risk Mitigation

Sun Network believes that it would not be disadvantaged and would manage competition through content and a pan India spread.

OPERATIONAL RISK

Possible decline in the popularity of channels of Sun Network, such a decline shall adversely impact its revenue, both from advertisement as well as subscription revenue.

Risk Mitigation

Sun Network's competitive advantages stems from its high popularity, exclusive access to high quality content and a large movie library, giving it significant pricing power to capitalize on the fast growing advertisement and subscription market. Sun Network will endeavor to keep track and abreast with high quality content and library.

FINANCIAL RISK**Treasury Investments Risk**

The Company carries significant amounts of surplus cash on its balance sheet, which are invested in various securities; the value of these investments may be eroded if they are deployed in risky asset classes.

Risk Mitigation

The Company follows a conservative policy of investing, which disallows any exposure to volatile assets like equity shares or illiquid assets like real estate. The policy is defined to preserve capital by permitting investments only into AAA rated instruments, with reasonable rates of return and allows quick liquidation by avoiding long dated securities.

Leverage Risk

A high debt component could result in an excessive interest drain.

FINANCIAL REVIEW 2014-15
(Pursuant to clause 49(II) (E) (1) of the Listing Agreement)

Risk Mitigation

The company is a zero debt company.

Receivable Risk

Delays in collection of accounts receivable could affect the Company's cash flow, with poor follow up potentially leading to delinquency and write offs.

Risk Mitigation

The company constantly monitors its debt collection and ensures that the debtors are periodically reviewed and dues maintained at levels that do not affect its cash flow.

LEGAL AND STATUTORY RISKS

Risk on contractual liabilities

The risk arising out of contracts that impose onerous responsibilities.

Risk Mitigation

The Company constantly reviews all Agreements, documents and contracts to ensure compliance with the accepted business procedures.

Compliance failure risk

The risk arising out of non-compliance with statutory requirements.

Risk mitigation

At Sun Network statutory compliance has been ensured through an internal process and legal compliance is given due importance in the Company's management process. The Company is proposing an independent audit and review across all the operational areas to reassess the existing processes.

5. INTERNAL CONTROL

Weak internal control can jeopardize the Company's financial position.

Risk mitigation

The Company has in place systems and processes, commensurate with its size and nature of business so as to ensure adequate internal control while ensuring smooth conduct of operations and compliance with statutory requirements under all applicable legislations. The Company has implemented SAP ERP system, which ensures

significant automation of processes, with sufficient IT system controls in place. Independent internal audit is carried out to ensure adequacy of internal control system and adherence to policies and practices. The Audit Committee reviews the functioning of the internal audit function.

Cautionary Statement

Statements in this Management Discussion & Analysis describing the companies objective, projections, estimates and expectations may constitute "Forward looking statement" within the meaning of applicable laws & regulations. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements.

On behalf of the Board

Place: Chennai
Date: July 31, 2015

K. Vijaykumar
Managing Director & Chief Executive Officer

REPORT ON CORPORATE GOVERNANCE*(Pursuant to clause 49 of the Listing Agreement)***MANDATORY REQUIREMENTS****1. Company's Philosophy on Code of Governance**

Corporate Governance is about commitment to values and ethical business conduct that evolved over a period of time. We believe good governance is an essential ingredient of good business that aligns all our actions with clearly defined ethical principles. The corporate governance philosophy at Sun Network is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder, customers, employees, investors, vendor-partners, the government of the land and the community. We believe good governance is an essential ingredient of good business that aligns all our actions with clearly defined ethical principles. Thus, corporate governance is a reflection of a Company's culture, policies, its relationship with the stakeholders, and its commitment to values.

We believe that it is our responsibility to adhere and enforce the principles of sound Corporate Governance with the objectives of transparency, professionalism and accountability, while facilitating effective management of the businesses and efficiency in operations.

2. Board of Directors**• Composition**

The Board of Directors of our Company composed of Five Non-Executive and Three Executive Directors. The Chairman of the Board is an Executive Director and Four Non-executive Directors are Independent Directors as per the criteria of independence stated in Clause 49 of the Listing Agreement. The optimum combination of Executive, Non-executive and Independent Directors ensure independence of the Board and separation of Board function of governance and management.

• Board Meetings

Four Board Meetings were held during the financial year 2014-15. The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement. The dates on which the said meetings held are as follows:

23rd May 2014, 8th August 2014, 7th November 2014 and 6th February 2015.

Attendance of each Director at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorship(s) and Committee Chairmanships / Memberships held by them in other companies are given below:

Name of the Director	Category	Attendance		No. of Directorships in public limited companies (including this company*)	Committee Chairmanship/ Memberships (including this Company*)	
		Board	AGM		Chairman	Member
Mr. Kalanithi Maran	Executive Chairman	3	Yes	2	Nil	Nil
Mrs. Kavery Kalanithi	Executive Director	3	Yes	2	Nil	Nil
Mr. K. Vijaykumar	Managing Director	4	Yes	2	Nil	1
Mr. S. Selvam	Director	4	Yes	1	Nil	Nil
Mr. J. Ravindran	Independent Director	2	Yes	4	4	6
Mr. M.K. Harinarayanan	Independent Director	4	Yes	2	1	2
Mr. Nicholas Martin Paul	Independent Director	4	Yes	2	Nil	4
Mr. R. Ravivenkatesh	Independent Director	3	Yes	2	Nil	2

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

*Represents directorship(s) / membership(s) of Audit and Stakeholders' Relationship Committee(s) in public limited companies governed by the Companies Act, 2013.

The Board has been provided with all material and substantial information that facilitates them for imparting significant decisions while discharging its duties as trustees of shareholders.

- **Code of Conduct**

A declaration signed by the Managing Director & CEO, stating that all Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company is enclosed at the end of the report. The code of conduct is available on the website of the Company www.suntv.in.

- **Prevention of Insider Trading**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, our Company has adopted a Code of Conduct for prevention of Insider Trading. This Code is applicable to all Board members/officers/designated employees. The objective of this code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

- **Secretarial Standards relating to Board Meetings**

The Secretarial and the operating practices generally followed by our Company are in line with the Standards on Secretarial practice relating to meetings of the Board and Committees stipulated by The Institute of Company Secretaries of India even if such laid down standards are recommendatory in nature.

- **Vigil Mechanism / Whistle Blower Policy**

Sun Group believes in highest ethical behavior, transparency, professionalism and accurate compliance with all laws, formulates the 'Whistle Blower Policy' to enable Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. This policy (copy of which is uploaded on the website of the Company) safeguards whistle blowers from reprisals or victimization. During the year under review, no employee was denied access to the Audit Committee.

- **Related Party Transaction Policy**

In compliance with the requirements of Clause 49 of the Listing Agreement, the Board of Directors of the Company has approved Related Party Transaction Policy to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.suntv.in

REPORT ON CORPORATE GOVERNANCE*(Pursuant to clause 49 of the Listing Agreement)***3. Audit Committee**

- Composition, Names of Members and Chairman**

The Audit Committee comprises of Mr. J. Ravindran, Mr. M.K. Harinarayanan, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh, all are Non-Executive Independent Directors of the Company with Mr. J. Ravindran as its Chairman.

Mr. R. Ravi, Company Secretary acts as Secretary of the Committee.

- Meetings and the attendance during the year**

Four meetings of the Audit Committee were held during the year 23rd May 2014, 8th August 2014, 7th November 2014, and 6th February 2015.

Name of the Director	No. of Meetings attended
Mr. J. Ravindran	2
Mr. M.K. Harinarayanan	4
Mr. Nicholas Martin Paul	4
Mr. R. Ravivenkatesh	3

- Brief description of terms of reference**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013. The role of Audit Committee is as prescribed under Clause 49(III) of the Listing Agreement.

4. Nomination and Remuneration Committee

- Composition, Names of Members and Chairman**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee of our Company has been constituted to recommend to the Board the appointment/reappointment of the Executive and Non-Executive Directors, the induction of Board members into various committees and suggest revision in total remuneration package of the Executive Director(s) keeping in view the prevailing statutory guidelines. The Committee has also been empowered to review / recommend the periodic increments, if any, in salary and annual incentive of the Executive Directors.

The Nomination and Remuneration Committee comprises of Mr. J. Ravindran, Mr. M.K. Harinarayanan, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh, all are Non-Executive Independent Directors of the Company with Mr. J. Ravindran as its Chairman.

Mr. R. Ravi, Company Secretary acts as Secretary of the Committee.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

• Meetings and the attendance during the year

This Committee comprises of entirely of Independent Directors. The Committee met on 23rd May 2014.

Name of the Director	Category	No. of Meetings attended
Mr. J. Ravindran	Chairman	1
Mr. M.K. Harinarayanan	Member	1
Mr. Nicholas Martin Paul	Member	1
Mr. R. Ravivenkatesh	Member	1

• Brief description of terms of reference

The Terms of Reference of Nomination and Remuneration Committee cover the matters specified for Nomination and Remuneration Committee under Clause 49 of the Listing Agreement as well as in Section 178 of the Companies Act, 2013. The role of the Nomination and Remuneration Committee is as prescribed under Clause 49(IV) of the Listing Agreement.

• Remuneration Policy

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the policy on Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors. An extract of the Remuneration Policy has been included as a part of this Annual Report as Annexure VII.

• Remuneration to Directors

The Remuneration paid / payable to the Executive Chairman for the year ended 31st March 2015 is as follows: (Rs. in Crore)

Salary	13.14
Perquisites and other allowances*	-
Ex - gratia / Bonus	48.13
Total	61.27

*Perquisites amounted to Rs. 39,600/-

The Remuneration paid/payable to the Managing Director and Chief Executive Officer for the year ended 31st March 2015 is as follows: (Rs. in Crore)

Salary	0.87
Perquisites and other allowances*	-
Total	0.87

*Perquisites amounted to Rs. 10,800/-

The Remuneration paid/payable to the Executive Director for the year ended 31st March 2015 is as follows: (Rs. in Crore)

Salary	13.14
Perquisites and other allowances*	-
Ex - gratia / Bonus	48.12
Total	61.26

*Perquisites amounted to Rs. 39,600/-

REPORT ON CORPORATE GOVERNANCE*(Pursuant to clause 49 of the Listing Agreement)*

The Remuneration paid / payable to Non-Executive Directors for the year ended 31st March 2015 is as follows:

	Amount in Rs.
Name of the Director	Sitting fee*
Mr. S. Selvam	8,000
Mr. J. Ravindran	14,000
Mr. M.K. Harinarayanan	26,000
Mr. Nicholas Martin Paul	26,000
Mr. R. Ravivenkatesh	20,000

*Includes sitting fee paid for attending Committee Meetings.

The sitting fee payable to a Non Executive Directors for attending the Board and Committee Meetings has been fixed at Rs. 2000/- respectively.

5. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Investors' Grievance Committee" as "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee is functioning to look into Redressal of Investor / Shareholders complaints expeditiously. The Committee has delegated the power of approving requests for transfer, transmission, rematerialization and dematerialization etc of shares of the Company to the Registrar and Share Transfer Agent.

The Stakeholders' Relationship Committee Comprises of Mr. M.K. Harinarayanan, Chairman, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as members.

Mr. R. Ravi, Company Secretary is the Compliance Officer of the Committee.

The Committee met 4 occasions during the year on 23rd May 2014, 8th August 2014, 7th November 2014 and 6th February 2015. The names and attendance of Committee members are given below:

Name of the Director	No. of Meetings attended
Mr. M.K. Harinarayanan	4
Mr. J. Ravindran	2
Mr. Nicholas Martin Paul	4
Mr. R. Ravivenkatesh	3

During the year, the Company received 27 Complaints mostly pertaining to non-receipt of dividend warrants and few complaints like non-receipt of annual reports etc., all of these complaints have been dealt with satisfactorily and there were no complaints pending as on 31.03.2015.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

6. Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 the board has constituted a Corporate Social Responsibility Committee to review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

The Corporate Social Responsibility Committee Comprises of Mrs. Kavery Kalanithi, Mr. K. Vijaykumar and Mr. Nicholas Martin Paul as members.

Mr. R. Ravi, Company Secretary is the Compliance Officer of the Committee.

The Committee met on 8th August 2014. The names and attendance of Committee members are given below:

Name of the Director	No. of Meetings attended
Mrs. Kavery Kalanithi	1
Mr. K. Vijaykumar	1
Mr. Nicholas Martin Paul	1

7. Risk Management Committee

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board has constituted Risk Management Committee.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management Committee Comprises of Mr. Nicholas Martin Paul, Chairman, Mr. J. Ravindran, Mr. M.K. Harinarayanan and Mr. R. Ravivenkatesh as members.

Mr. R. Ravi, Company Secretary is the Compliance Officer of the Committee.

The Committee met on 6th February 2015. The names and attendance of Committee members are given below:

Name of the Director	No. of Meetings attended
Mr. Nicholas Martin Paul	1
Mr. J. Ravindran	Nil
Mr. M.K. Harinarayanan	1
Mr. R. Ravivenkatesh	Nil

8. Independent Directors' Meeting

During the year, meeting of Independent Directors was held on 7th November, 2014 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

REPORT ON CORPORATE GOVERNANCE*(Pursuant to clause 49 of the Listing Agreement)***9. Familiarisation Programme For Independent Directors**

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through various induction programmes. The details of such programme are mentioned in www.suntv.in

10. General Meetings

Details of the location, date and time of the last Three Annual General Meetings (AGM) and the details are given below:

Year	Meeting	Location	Date	Time
2013 - 14	AGM	"Kalaighnar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	26.09.2014	10.00 am
2012 - 13	AGM	"Kalaighnar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	27.09.2013	10.00 am
2011 - 12	AGM	"Kalaighnar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	28.09.2012	10.00 am

Special Resolution passed in the previous Three Annual General Meetings**NIL****11. Performance Evaluation**

In line with the provisions of the Companies Act, 2013 and revised Clause 49 of the listing agreement, our Company this year under review, adopted a formal evaluation process for reviewing the performance of the Board, Board Committees, Chairman, Non-Independent and Independent Directors. A structured questionnaire for the purpose, covering various aspects of Board Governance, Composition, Competencies, Guidance etc., was prepared after taking into consideration the inputs received from the Directors. The Board carried out an annual evaluation of its own performance and of its committees. Evaluation of the Chairman and Non-Executive Non-Independent Director(s) was carried out by the Independent Directors in their separate meeting. The Independent Directors, based on the criteria as framed & recommended by the members of the Nomination Committee, were evaluated by the Board as a whole excluding the Director being evaluated. The overall performance evaluation was agreed to be satisfactory by all the Directors.

12. Subsidiary Companies

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

13. Disclosures

- There were no materially significant related party transactions during the year having conflict with the interests of the Company.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

- There has been no non-compliance by the Company or penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The company has complied with all mandatory requirements. Adoptions of non-mandatory requirements are provided under item no.16 of this report.

14. Means of Communication

The quarterly unaudited financial results and the annual audited financial results are normally published in Financial Express and Malai Sudar. Press releases are given to all-important dailies. The official announcements are posted at BSE and NSE websites. The financial results, press releases and communications to investors are posted on the Company website www.suntv.in.

15. Management Discussions and Analysis Report

Management Discussion and Analysis report is annexed.

16. Shareholders Information

The details are enclosed elsewhere in the report.

17. Non Mandatory Requirements

1. The Board – Chairman's Office

The Chairman of Sun TV Network is a Whole Time Director and hence this provision is not applicable.

2. Shareholders Rights

The quarterly/annual results, after the Board of Directors takes them on record, are forthwith sent to the Stock Exchanges with whom the company has listed. The results, in the prescribed format, are published in "Financial Express" (English) and "Malai Sudar" (Tamil) newspapers.

3. Audit Qualification

The Auditors have not qualified the financial statements of the Company.

GENERAL SHAREHOLDERS INFORMATION

• Registered Office of the Company

Murasoli Maran Towers
73, MRC Nagar Main Road
MRC Nagar, Chennai – 600 028
Tel: +91 44 44676767 Fax: +91 44 40676161
E-mail: tvinfo@sunnetwork.in

REPORT ON CORPORATE GOVERNANCE*(Pursuant to clause 49 of the Listing Agreement)*

- **Forthcoming Annual General Meeting**

25th September 2015

"Kalaighnar Arangam", Anna Arivalayam

367/369, Anna Salai, Teynampet, Chennai – 600 018

- **Financial Year**

1st April 2014 to 31st March 2015.

- **Book Closure Dates**

From 18th September, 2015 to 25th September, 2015 (both days inclusive)

- **Dividend**

During the financial year ended 31st March 2015, the Board of Directors has declared Interim Dividends of Rs.2.25/- per equity share (45%), Rs.2.25/- per equity share (45%) and Rs.6.75/- per equity share (135%) declared at the Board Meetings held on August 8, 2014, November 7, 2014 and February 6, 2015 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 225%, i.e., Rs.11.25/- per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2015. (Prev. Year of 190%, i.e., Rs 9.50/- per equity share of face value of Rs.5.00/- each).

- **Unclaimed Dividend**

Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount once deposited in Investors' Education and Protection Fund (IEPF). Shareholders are, therefore, again requested to claim their unpaid dividend, if not already claimed.

Instruction to Shareholders

- **Listing on Stock Exchanges and Stock Code**

Stock Exchange	Stock Code
National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra(E), Mumbai 400 051	Symbol - SUN TV Series - EQ
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Scrip Code - 532733 Scrip ID - SUNTV

Annual listing fees have been paid to the above stock exchanges.

- **Depositories Connectivity**

National Securities Depository Ltd. (NSDL)
Central Depository Services (India) Ltd. (CDSL)
ISIN:INE424H01027

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

- **Share Transfer Process**

1. Karvy Computershare Private Ltd processes the physical transfers and other requests from the Shareholders.
2. The Board delegated the power to approve the transfers to the Share Transfer Committee and the transfers are approved as and when necessary.
3. A Practicing Company Secretary carries out the Secretarial Audit, pertaining to the share transfers every six months and necessary certificate to that effect are issued and the same are filed with the Stock Exchanges.
4. As per SEBI's instructions, the Company's Shares can be sold through stock exchange only in dematerialized form.

- **Market Price Data & Performance in Comparison with BSE and NSE Indices**

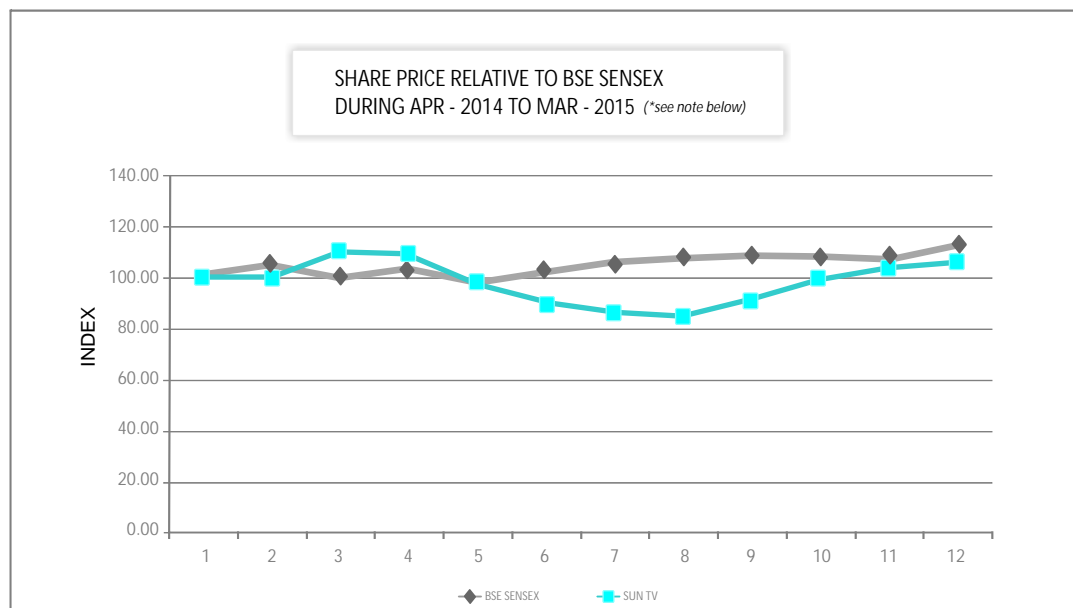
- **Market Price Data**

	B.S.E			N.S.E		
Month	High	Low	Traded Volume (No. of shares)	High	Low	Traded Volume (No. of shares)
Apr-14	420.00	370.20	5,15,438	413.95	370.00	79,83,471
May-14	436.30	358.50	12,95,919	438.00	358.45	1,24,07,949
Jun-14	488.00	401.80	19,23,739	476.40	401.00	1,39,63,576
Jul-14	476.00	400.00	16,12,370	477.00	400.00	1,59,98,647
Aug-14	426.40	344.35	15,28,700	426.90	344.50	1,86,28,829
Sep-14	375.00	315.45	29,60,957	375.50	315.00	2,21,33,208
Oct-14	349.95	298.55	22,86,452	346.75	300.00	1,15,98,051
Nov-14	335.20	306.05	8,72,322	336.00	300.75	1,17,46,977
Dec-14	392.95	309.00	25,98,200	394.00	308.00	3,10,11,466
Jan-15	439.55	337.70	26,49,660	439.70	337.05	2,62,16,328
Feb-15	452.70	379.15	19,26,713	453.15	377.20	1,46,52,209
Mar-15	459.95	401.00	11,22,127	459.00	400.10	98,34,051

REPORT ON CORPORATE GOVERNANCE

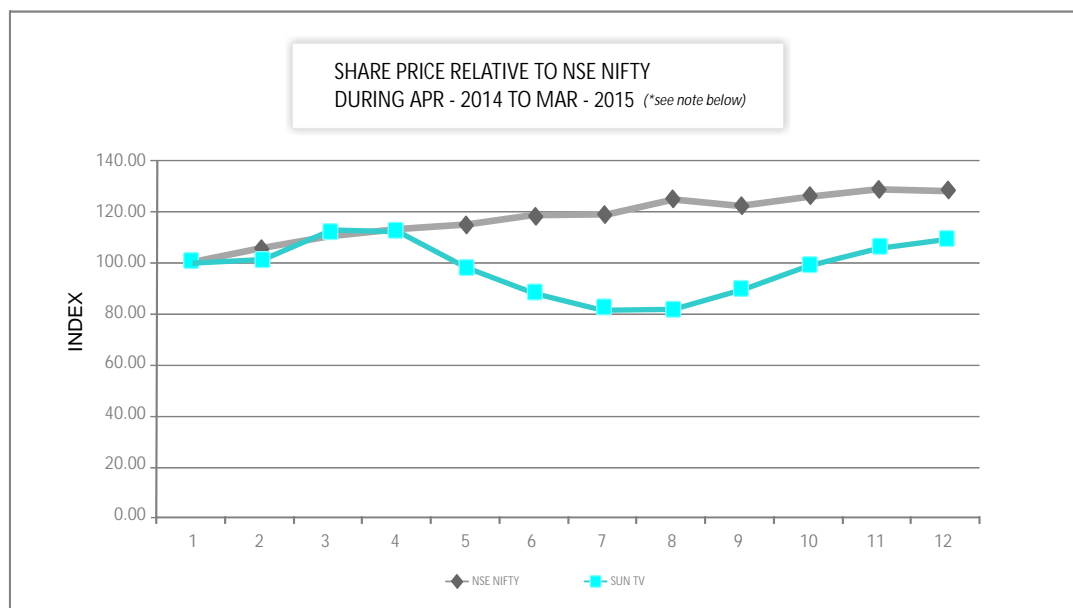
(Pursuant to clause 49 of the Listing Agreement)

• Performance in comparison with BSE SENSEX



* The closing value for April is taken as 100. The values, for the months, from April' 14 to Mar' 15, are worked out as a percentage, keeping the Base Value for Apr' 14 as 100.

• Performance in comparison with NSE NIFTY



* The closing value for April is taken as 100. The values for the months, from April' 14 to Mar' 15, are worked out as a percentage, keeping the Base Value for Apr' 14 as 100.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

Shareholding pattern/ Distribution

♦ Shareholding pattern as on 31.03.2015

Category	% to total Capital
Promoter Group	75.00
Financial Institutions / Bank	0.01
Non Residents (NRI / OCB / FIIs)	19.00
Mutual Funds	1.00
Others	4.99
Total	100.00

♦ Distribution of Shareholding as on 31.03.2015

Category	No. of Holders	% to total	No. of Shares	% to total
1-10,000	27,902	99.00	16,27,889	0.41
Above 10,000	283	1.00	39,24,56,731	99.59
Total	28,185	100.00	39,40,84,620	100.00

♦ Summary of Shareholding as on 31.03.2015

Category	No. of Holders	Total Shares	% to Equity
Physical	141	497	0.00
NSDL	21,207	39,30,78,393	99.74
CDSL	6,837	10,05,730	0.26
Total	28,185	39,40,84,620	100.00

♦ Dematerialization of Shares

1. The Company has signed agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form.
2. A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
3. As on 31st March 2015, 39,40,84,123 equity shares constituting 99.99% of the total paid up capital of the company have been dematerialized. All the equity shares except the locked in shares if any are freely tradable.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

♦ **Outstanding GDRs / ADRs etc.**

The Company has not issued any GDR, ADR or any convertible instruments pending conversion or any other instrument likely to impact equity share capital of the company.

♦ **Address for correspondence**

♦ **Compliance Officer**

R. Ravi,
Company Secretary,
Sun TV Network Limited
Murasoli Maran Towers
73, MRC Nagar Main Road
MRC Nagar, Chennai – 600 028
Tel: +91 44 4467 6767
Fax: +91 44 4067 6161
Email: ravi@sunnetwork.in
www.suntv.in

♦ **Registrars and Share Transfer Agent**

M/s Karvy Computershare Private Limited
Plot Nos. 17 to 24,
Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel: (040) 23420815 Fax: (040) 23420814
Email: mailmanager@karvy.com
www.karvycomputershare.com

On behalf of the Board

Place: Chennai
Date: July 31, 2015

K. Vijaykumar
Managing Director &
Chief Executive Officer

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

AUDITORS' CERTIFICATE

To

The Members of Sun TV Network Limited

We have examined the compliance of conditions of Corporate Governance by Sun TV Network Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned 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 S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W

Per Aniruddh Sankaran

Partner

Membership No.: 211107

Chennai

July 31, 2015

Confirmation on Code of Conduct

To

The Members of Sun TV 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 all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2015, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

On behalf of the Board

Place: Chennai

Date: May 29, 2015

K. Vijaykumar
Managing Director &
Chief Executive Officer

**CEO/CFO CERTIFICATION
(Pursuant to Clause 49 (IX) of the Listing Agreement)**

We, K. Vijaykumar, Managing Director & Chief Executive Officer and V.C. Unnikrishnan, Chief Financial Officer of Sun TV Network Limited ("the Company"), certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of knowledge and belief :
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
2. 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 violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - a. That there are no significant changes in internal control over financial reporting during the year;
 - b. That there are no significant changes in accounting policies during the year;
 - c. That there are no instances of significant fraud of which we have become aware.

K. Vijaykumar
Managing Director &
Chief Executive Officer

V.C. Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 29, 2015

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L22110TN1985PLC012491
2. Name of the Company : Sun TV Network Limited
3. Registered Address : Murasoli Maran Towers
73, MRC Nagar Main Road
MRC Nagar, Chennai – 600028.
4. Website : www.suntv.in
5. Email id : brr@sunnetwork.in
6. Financial Year reported : April 1, 2014 – March 31, 2015
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

Division	Group	Class	Sub-Class	Description
60	601 & 602	6010 & 6020	60100	Television programming and broadcasting activities and Radio broadcasting

8. Three key products / services that the Company manufactures/provides (as on balance sheet):

The Company mainly provides Broadcasting Services and is engaged in the business of Broadcasting of various Regional Television and airing FM Radio Channels.

As a part of the said broadcasting business, the Company earns revenues from Advertisements, Broadcasting Fees and Subscription of Channels both Domestic and International.

9. Total number of locations where business activity is undertaken by the Company:
 - i. Number of International locations: Nil
 - ii. Indian operations of the Company are carried out through over twelve offices located in major commercial hubs of the Country including Chennai, Madurai, Tiruchirapalli, Coimbatore, Tirunelveli, Hyderabad, Vishakapatnam, Bangalore, Mysore, Cochin, Thiruvananthapuram and New Delhi.

10. Markets served by the Company – Local / State / National / International:

Company's Television and FM Radio Channels reach out to millions of viewers / listeners over a dozen Countries.

Section B: Financial Details of the Company

1. Paid up Capital (INR) : Rs. 197.04 crores
2. Total turnover (INR) : Rs. 2,243.62 crores
3. Total Profit after taxes (INR) : Rs. 737.23 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 0.76% of its current profit after taxes by way of Donations.

5. List of activities in which expenditure in Section - B of note - 4 above has been incurred:

The major area in which the above expenditure has been incurred is towards relief for the flood affected people and education and healthcare of the poor and needy.

BUSINESS RESPONSIBILITY REPORT

Section C : Other Details

1. Does the Company have any Subsidiary Company / Companies?
As at March 31, 2015, the Company has two direct subsidiaries namely Kal Radio Limited and South Asia FM Limited.
2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)
Business Responsibility initiatives of the parent company are not applicable to the subsidiary companies.
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] No

Section D: BR Information

1. Details of Director / Directors responsible for BR:
 - a) Details of the Director / Directors responsible for implementation of the BR policies:
As part of the day-to-day functions and operations, the Company ensures that the Business Responsibility and / or related policies including that of CSR are continuously implemented across the different management level and also periodically reviewed for changes.
 - b) Details of the BR head:

Sr No	Particulars	Details
1	DIN Number	03578076
2	Name	Mr. K. Vijaykumar
3	Designation	Managing Director & Chief Executive Officer
4	Telephone Number	(044) 44676767
5	E mail Id:	brr@sunnetwork.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):
The National Voluntarily Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:
 - P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
 - P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
 - P3 – Business should promote the well being of all employees.
 - P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
 - P5 – Businesses should respect and promote human rights.
 - P6 – Businesses should respect, protect and make efforts to restore the environment.
 - P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
 - P8 – Businesses should support inclusive growth and equitable development.
 - P9 – Business should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT

Sr. No	Particulars	Business Ethics	Product Responsibility	Employees wellbeing	Stakeholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards?	NA	Yes	NA	Yes	Yes	NA	NA	NA	NA
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes	No	No	Yes	No	No	No	Yes	No
5	Does the Company have a specified committee of the Board / Director / Official to oversee the Implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	www.suntv.in								
7	Has the policy been formally Communicated to all relevant Internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/policies?	The overall responsibility for implementation of BR / CSR Policies of the Company is under Mr. K. Vijaykumar, Managing Director and Chief Executive Officer along with Senior Management of the Company.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the Company carried out Independent audit / evaluation of the working of this policy by an internal or external agency?	No								

BUSINESS RESPONSIBILITY REPORT

2a. If answer to Sr No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	Business Ethics	Product Responsibility	Employees Wellbeing	Stakeholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	<p>As the Company is in existence for long, policies relating to employee and employee wellbeing, human rights, customer relation etc. has been formulated and reviewed and revised from time to time as and when required. These are done and implemented by the Senior Management including the Managing Director & Chief Executive Officer under the supervision and guidance of the Board of Directors.</p>								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six months Board Director?									
5	It is planned to be done within next one year									
6	Any other reason									

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BUSINESS RESPONSIBILITY REPORT

3. Governance related to BR:

- i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Managing Director along with the Senior Management of the Company regularly reviews and assesses the BR performance.

- ii. Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company has not published any BR or sustainability report till financial year 2014-15. However, the BR report is / shall be available at www.suntv.in.

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethic Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Code of Conduct for Corporate Governance adopted by the Board of Directors is applicable to the Board of Directors and Senior Management. The HR policy applicable to the Company prohibits accepting or giving bribery in any form. Though, at present there is no formal written policy on corruption and bribery covering external stakeholders, controls are in place installed at every level to prevent bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

27 investor complaints were received during the FY 2014-15 all were resolved and no complaint is pending as on date.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Company meticulously follows the applicable regulation / guidelines issued from time to time by Ministry of Information and Broadcasting (MIB), Telecom Regulatory Authority of India (TRAI) and Indian Broadcasting Federation (IBF) in rendering its services.

2. For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per product (optional):

As part of Media and Entertainment Industry, the Company consumes negligible energy.

BUSINESS RESPONSIBILITY REPORT

3. Does the Company procedure in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?

The unique business model adopted by the Company adequately motivates the content providers to stay with the Company. As the Company is a market leader some of the production houses are associated with the Company since inception. The Company also conducts various event-based programs to identify and encourage budding talents.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company has regional channels in the four Southern States which sources identifies and nurtures talent from the small producers and local vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable.

Principle 3: Business should promote the well being of all employees

1. Please indicate the total number of employees: 2005
2. Please indicate the total number of employees hired on temporary / contractual / casual basis: 134
3. Please indicate the number of permanent women employees: 216
4. Please indicate the number of permanent employees with disabilities: NIL
5. Do you have employee association that is recognized by management?

No Employee Association exists

6. What percentage of your permanent employees are members of this recognized employee associations? Not Applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending as on the end of the financial year: NIL
8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?

The Company periodically organizes training sessions on safety and it also sponsors its employees to skill up gradation programs conducted by various professional bodies.

BUSINESS RESPONSIBILITY REPORT

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external shareholders?

Yes. The Company has mapped its internal and external stakeholders and the main categories of the same are as follows: (i) Investors, (ii) Banks, (iii) Content Producers, (iv) Vendors, (v) Service Providers (vi) The Ministry of Information & Broadcasting, (vii) The Department of Telecommunication, (viii) Telecom Regulatory Authority of India, (ix) Ministry of Corporate Affairs, (x) Reserve Bank of India, (xi) Foreign Investment Promotion Board, (xii) Stock Exchanges and (xiii) Depositories.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof

The Company as part of regular functioning encourages talents among various sections of the Society it also gives opportunity to new and innovative programs.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint ventures / suppliers / contractors / NGOs / Others?

The policy of the Company on human rights largely applies to the Company and extends to the major stakeholders to the extent applicable.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

The Company has not received any complaint on human rights violation.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

As a responsible business entity we feel the importance of protecting and safeguarding the environment. The Company implemented new, modern and scientific green initiatives at its newly built registered office.

BUSINESS RESPONSIBILITY REPORT

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No

3. Does the company identify and assess potential environmental risks? Y/N

No. The Company is engaged in broadcasting activity.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No. The Company is engaged in broadcasting activity.

5. Has Company has undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.

Not applicable. The Company is engaged in broadcasting activity.

6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB / SPCB for the financial year being reported?

Not applicable. The Company is engaged in broadcasting activity.

7. Number of show cause/legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

Principle 7: Businesses, when engaged in influencing public, clients and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is a member of

- i) Indian Broadcasting Foundation
- ii) News Broadcasters Association

2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; if yes, specify the broad areas

Yes, The Company through these associations has supported/advocated the implementation of digitalization, as laid down by the Ministry of Information and Broadcasting.

BUSINESS RESPONSIBILITY REPORT

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?

The Company has taken initiatives in formulating and implementation of policies relating to Corporate Social Responsibility. The Company regularly contributes to Sun Foundation, a charitable trust to support the various social welfare activities as carried out by the trust.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/ any other organization?

The programmes are undertaken through own foundation.

3. Have you done any impact assessment of your initiative?

No

4. What is Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has donated Rs. 5.62 Crore as mentioned below to carry out various welfare activities.

Project	Activity	Amount
Prime Minister's National Relief Fund	Relief for Flood Affected People in Jammu & Kashmir	1,00,00,000
The Andhra Pradesh Chief Minister's Relief Fund	Relief for Flood Affected People in Vishakapatnam	3,50,00,000
Promoting Education	Education to Poor Children	1,11,50,000

5. Have you taken steps to ensure that the community successfully adopts this community development initiative?

Yes

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases as on the end of financial year?

No material consumer / customer complaints outstanding as at the end of the financial year.

BUSINESS RESPONSIBILITY REPORT

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?

None

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company has subscribed to TAM (Television Audience Measurement). TAM provides periodical television popularity and viewership reports which the Senior Management reviews and acts upon.

For queries related to

Business Responsibility Report:

K. Vijaykumar
Managing Director &
Chief Executive Officer

Tel: 91 44 44676767

E-mail: brr@sunnetwork.in

Compliance:

R. Ravi
Company Secretary &
Compliance Officer

Tel.: 91 44 44676767,

Fax: 91 44 40616161

E-mail: ravi@sunnetwork.in

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INDEPENDENT AUDITORS' REPORT

To the Members of Sun TV Network Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Sun TV Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to notes 42 and 43, regarding matters of material uncertainty in relation to assets of the company and investments in subsidiaries respectively.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITORS' REPORT

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 29, 2015

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Annexure to Auditors' Report

Annexure referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

Re: Sun TV Network Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of substantial part of fixed assets during the year.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax, customs duty, excise duty, cess, employees' state insurance and other material statutory dues applicable to it. The provisions relating to sales-tax and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure to Auditors' Report (Continued)

(c) According to the records of the Company, the dues outstanding of income-tax, customs duty and Service tax, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	157.90	FY 2004 – 05 to FY 2008 – 09	High Court of Madras
Income tax Act, 1961	Income Tax	65.02	FY 2006 – 07 to FY 2011 – 12	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Differential Customs Duty	0.50	FY 2007– 08	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	1.66	May 2008 – September 2011	CESTAT

According to information and explanations given to us, there are no dues of wealth-tax, excise duty, service tax and cess which are outstanding on account of any dispute.

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) 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.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 29, 2015

Balance Sheet as at March 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	197.04	197.04
Reserves and surplus	4	3,182.66	2,974.76
		3,379.70	3,171.80
Non-current liabilities			
Deferred tax liability (net)	5	22.06	25.97
Other long-term liabilities	6	3.85	3.52
Long-term provisions	7	-	0.88
		25.91	30.37
Current liabilities			
Trade payables	8	37.46	31.78
Other Current liabilities	9	140.90	135.32
Short-term provisions	10	6.77	109.32
		185.13	276.42
TOTAL		3,590.74	3,478.59
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	714.50	770.61
Intangible assets	12	359.65	471.23
Capital work-in-progress		0.49	0.40
Non-current investments	13	462.40	462.38
Long-term loans and advances	14	249.21	241.72
		1,786.25	1,946.34
Current assets			
Current investments	15	231.16	214.27
Inventories	16	0.48	0.57
Trade receivables	17	683.53	570.61
Cash and bank balances	18	690.52	562.10
Short-term loans and advances	19	102.97	100.14
Other current assets	20	95.83	84.56
		1,804.49	1,532.25
TOTAL		3,590.74	3,478.59

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W

per **Aniruddh Sankaran**
Partner
Membership No.: 211107

Place : Chennai
Date : May 29, 2015

For and on behalf of the board of directors

Kalanithi Maran
Chairman

K Vijaykumar
Managing Director &
Chief Executive Officer

R. Ravi
Company Secretary

V C Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 29, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2015	March 31, 2014
Income			
Revenues from operations	21	2,243.62	2,096.78
Other income	22	87.83	79.21
Total revenue (I)		2,331.45	2,175.99
Expenses			
Costs of revenues	23	254.26	269.16
Employees' benefits expense	24	203.75	192.53
Other expenses	25	166.92	163.20
Advertisement and marketing expenses	26	4.48	10.18
Depreciation and amortization expense	27	587.83	453.34
Finance costs	28	2.22	2.87
Total (II)		1,219.46	1,091.28
Profit before tax (I) - (II)		1,111.99	1,084.71
Tax expenses			
Current tax		378.67	370.22
Deferred tax		(3.91)	(2.47)
Total tax expense		374.76	367.75
Profit after tax		737.23	716.96
Earnings per share information:			
Net profit attributable to equity shareholders		737.23	716.96
Weighted average number of equity shares outstanding		39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)		18.71	18.19
Nominal value of equity share (Rs.)		5.00	5.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W

per Aniruddh Sankaran
Partner
Membership No.: 211107

Place : Chennai
Date : May 29, 2015

For and on behalf of the board of directors

Kalanithi Maran
Chairman

K Vijaykumar
Managing Director &
Chief Executive Officer

R. Ravi
Company Secretary

V C Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 29, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Net profit before taxation	1,111.99	1,084.71
Adjustments to reconcile:		
Depreciation of tangible assets	79.58	86.05
Amortization of intangible assets	508.25	364.79
Impairment of intangible assets	-	2.50
(Profit) / loss on sale of fixed assets, net	0.28	(0.13)
Translation loss / (gain) on monetary assets and liabilities, net	1.11	(0.52)
Provision for doubtful debts / movie advances and other assets	10.03	23.42
Provision for Litigations and Claims	1.01	1.67
Bad debts written off	-	4.13
Liabilities / provisions no longer required written back	(1.98)	-
Interest income	(64.33)	(63.35)
Dividend income	(13.43)	(7.51)
Interest expense	1.76	2.60
Operating profit before working capital changes	1,634.27	1,498.36
Movements in working capital :		
(Increase) / Decrease in trade receivables	(120.77)	(49.30)
(Increase) / Decrease in inventories	0.09	(0.07)
(Increase) / Decrease in other current assets	(10.58)	(22.46)
(Increase) / Decrease in loans and advances	(0.91)	15.44
Increase / (Decrease) in trade payables and other liabilities	16.05	104.61
Increase / (Decrease) in provisions	(1.32)	(107.06)
Cash generated from / (used in) operations	1,516.83	1,439.52
Direct taxes paid (net of refunds)	(376.10)	(281.03)
Net cash flow from / (used in) operating activities (A)	1,140.73	1,158.49
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress		
(including capital advances)	(27.90)	(19.67)
Purchase of intangible assets (including advances towards		
purchase of intangible assets)	(410.68)	(410.60)
Purchase of current investments	(491.87)	(408.89)
Redemption of current investments	475.01	200.08
Proceeds from sale of assets	1.12	0.79

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
Term deposits placed with banks during the year	(603.75)	(408.35)
Term deposits refunded from banks during the year	482.70	211.24
Interest received	63.63	76.76
Dividends received	13.43	7.51
Net cash from / (used in) investing activities (B)	(498.31)	(751.13)
Cash flows (used in) / from financing activities		
Loans availed	793.60	1,031.20
Loans repaid	(793.60)	(1,031.20)
Proposed dividends paid	(88.67)	(78.82)
Tax on proposed dividends paid	(15.07)	(13.39)
Interim dividends paid	(443.35)	(285.71)
Tax on interim dividends paid	(85.98)	(48.56)
Interest paid	(1.76)	(4.27)
Net cash (used in) / from financing activities (C)	(634.83)	(430.75)
Exchange differences on translation of foreign currency cash and cash equivalents (D)	(0.22)	(0.25)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	7.37	(23.64)
Cash and cash equivalents at the beginning of the year	33.92	57.56
Cash and cash equivalents at the end of the year	41.29	33.92

Notes

a) The reconciliation to the cash and bank balances as given in Note 18 is as follows :

Cash and bank balances, per Note 18	690.52	562.10
Less : Term deposits placed with banks	(649.23)	(528.18)
Cash and cash equivalents, end of year	41.29	33.92

b) Components of cash and cash equivalents

Cash and cheques on hand	0.04	0.02
With banks - on current account	40.99	33.68
- on deposit account (unrestricted)	-	-
- on unpaid dividend accounts (restricted)*	0.26	0.22

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 29, 2015

For and on behalf of the board of directors

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &
Chief Executive Officer

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 29, 2015

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

1. Corporate Information

Sun TV Network Limited ('Sun TV' or 'the Company') was incorporated on December 18, 1985 as Sumangali Publications Private Limited. The Company is engaged in producing and broadcasting satellite television and radio software programming in the regional languages of South India.

The Company is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') in India. The Company currently operates television channels in four South Indian languages predominantly to viewers in India, and also to viewers in Sri Lanka, Singapore, Malaysia, United Kingdom, Europe, Middle East, United States, Australia, South Africa and Canada. The Company's flagship channel is Sun TV. The other major satellite channels of the Company are Surya TV, Gemini TV and Udaya TV. The Company is also into the business of FM Radio broadcasting at Chennai, Coimbatore and Tirunelveli. The Company's film production / distribution division 'Sun Pictures' undertakes production / distribution of movies in the Tamil language. The Company also has the license to operate an Indian Premier League ('IPL') franchise "Sun Risers Hyderabad".

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets and depreciation

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs, if any, relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Fixed assets under construction and fixed assets acquired but not put to use at the balance sheet date are classified as capital work in progress.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Based on an technical assessment and a review of past history of asset usage, management of the Company has determined that the estimates of useful lives of fixed assets as at March 31, 2014 continue to be appropriate and, accordingly, has not revised such useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended).

Depreciation on tangible fixed assets other than aircraft and leasehold improvements is provided on written down value method, using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

	<u>Percent</u>
Buildings	5.00 – 13.91
Plant and machinery	13.91 - 20.00
Computer and related equipments	40.00
Furniture and fittings	18.10
Office equipments	13.91
Motor Vehicles	25.89

Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease. The average useful life of Leasehold improvements is 3 - 5 years.

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based on management's estimate of useful life of such aircrafts, i.e. 15 years.

The gross block of plant and machinery as at March 31, 2015 includes cost of program production equipment of Rs. 151.24 crores (PY Rs. 158.20 crores), post production equipment of Rs. 68.52 crores (PY Rs. 68.15 crores), reception and distribution facilities of Rs. 142.64 crores (PY Rs. 129.93 crores), computer and related equipment of Rs. 108.79 crores (PY Rs. 108.29 crores) and aircraft of Rs. 295.15 crores (PY Rs. 295.15 crores). The net block of plant and machinery as at March 31, 2015 includes the net block of program production equipment of Rs. 19.20 crores (PY Rs. 23.42 crores), post production equipment of Rs. 12.09 crores (PY Rs. 15.16 crores), reception and distribution facilities of Rs. 46.24 crores (PY Rs. 43.62 crores), computer and related equipment of Rs. 17.60 crores (PY Rs. 19.83 crores) and aircraft of Rs. 255.18 crores (PY Rs. 274.84 crores).

d) Intangible assets and amortization

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

❑ Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software being 3 years, or over the license period of the software, whichever is shorter.

❑ Film and program broadcasting rights ('Satellite Rights')

Acquired Satellite Rights for the broadcast of feature films and other long-form programming such as multi-episode television serials are stated at cost.

Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc., and accordingly cost related to film is fully expensed on the date of first telecast of the film and the cost related to program broadcasting rights / multi episodes series are amortized based on the telecasted episodes. The maximum useful life of Satellite Rights in the opinion of the management is not likely to exceed 10 years.

❑ Film production costs, distribution and related rights

Upon the theatrical release of a movie, the cost of production / acquisition of all the rights related to each such movie is amortised in the ratio that current period revenue for the movie bears to the management's estimate of the remaining unrecognised revenue for all rights arising from the movie, as per the individual-film-forecast method. The estimates for remaining unrecognised revenue for each movie is reviewed periodically and revised if necessary. The maximum useful life of film production costs, distribution and related rights in the opinion of the management is not likely to exceed 10 years.

Expenditure incurred towards production of movies not complete as at balance sheet date if any, are classified as intangible assets under development.

❑ Licenses

Licenses represent one time entry fees paid to Ministry of Information and Broadcasting ('MIB') under the applicable licensing policy for Frequency Modulation ('FM') Radio broadcasting. Cost of licenses are amortised over the license period, being 10 years.

❑ Goodwill

Goodwill is amortised on a straight-line basis over a period of five years, based on management's estimates.

e) Impairment of tangible and intangible assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

f) Franchisee Fees

The annual franchise fee payable to the Board of Control for Cricket in India ('BCCI') is recognized as an expense on an accrual basis in accordance with terms of the Company's agreement with the BCCI.

g) 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.

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.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue is recognised net of service tax if any.

- ❑ Advertising income and broadcast fees are recognised when the related commercial or programme is telecast.
- ❑ International Subscription Income represents income from the export of program software content, and is recognised in accordance with the terms of agreements with customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

- Subscription income represents subscription fees billed to cable operators and Direct to Home ('DTH') service providers towards pay-channels operated by the Company, and are recognised in the period during which the service is provided. Subscription fees billed to cable operators are determined based on management's best estimates of the number of subscription points to which the service is provided, at contractually agreed rates with the Company's authorised distributor. Subscription income from DTH customers is recognised in accordance with the terms of agreements entered into with the service providers.
- Revenues from sale of movie distribution / sub-distribution rights are recognised on the theatrical release of the related movie, in accordance with the terms of agreements with customers. Revenues from the theatrical distribution of movies are recognised as they are exhibited, based on box office collections reported by the exhibitors after deduction of taxes and exhibitor's share of net collections.
- Income from content trading represent revenue earned from mobile service providers and DTH service providers through exploitation of content owned by the Company. Income is recognised as per the terms of contract with the respective service providers.

- Income from Indian Premier League represents following:

Income from franchisee rights is recognised when the rights to receive the payments is established as per the terms of the agreement entered with BCCI. Revenue is recognised as per the information provided by BCCI or as per Management's estimate in case the information is not received. The revenue is allocated on a pro-rata basis to number of matches played during the year as against the total number of matches for the season.

Income from sponsorship fees is recognised on completion of terms of the sponsorship agreement.

Income from sale of tickets is recognised on the dates of the respective matches. The Company reports revenues net of discounts offered on sale of tickets.

Prize money is recognised when right to receive payment is established.

- Revenues from barter transactions, and the related costs, are recorded at fair values of the services rendered and services received, as estimated by management.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Dividend income is recognised when the right to receive payment is established by the reporting date.
- Export incentives are recognized on availment of the benefits under the respective schemes.

Revenues recognised in excess of billings are disclosed as "Unbilled Revenue" under other current assets. Billings in excess of revenue recognised are disclosed as "Deferred Revenues" under current liabilities.

i) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes the contribution payable to the provident fund scheme as an expenditure when the employee renders the related service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

j) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and Deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and Deferred tax assets and deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

l) Leases

Operating leases (where the Company is the lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Operating leases (where the Company is the lessor)

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

m) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

n) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

All exchange differences arising on settlement / conversion of foreign currency monetary items are included in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q) Segment reporting

The Company considers business segments as its primary segment. The Company's operations predominantly relate to Media and Entertainment and, accordingly, this is the only primary reportable segment.

The Company considers geographical segments as its secondary segment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	March 31, 2015	March 31, 2014
3. Share capital		
Authorized shares		
45,00,00,000 equity shares of Rs 5/- each		
(March 31, 2014 - 45,00,00,000 of Rs. 5/- each)	225.00	225.00

Issued, subscribed and fully paid-up shares

39,40,84,620 equity shares of Rs 5/- each
(March 31, 2014 - 39,40,84,620 of Rs. 5/- each)

197.04 197.04

197.04 197.04

a. Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	39,40,84,620	197.04	39,40,84,620	197.04
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	39,40,84,620	197.04	39,40,84,620	197.04

b. Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 11.25/- share (March 31, 2014: Rs. 9.50/- share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 5 each fully paid	March 31, 2015		March 31, 2014	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	29,55,63,457	75.00%	29,55,63,457	75.00%

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
4 Reserves and surplus		
Securities premium account	471.82	471.82
General reserve		
Balance as per the last financial statements	483.80	412.10
Add: Amount transferred from surplus balance in the statement of profit and loss	-	71.70
Closing Balance	483.80	483.80
Surplus in the statement of profit and loss		
Balance as per last financial statements	2,019.14	1,811.89
Profit for the year	737.23	716.96
Less: Appropriations		
Interim dividend [Rs 11.25/- per share (March 31, 2014: Rs 7.25- per share)]	(443.35)	(285.71)
Tax on interim dividend	(85.98)	(48.56)
Proposed final dividend (March 31, 2014: Rs 2.25/- per share)	-	(88.67)
Tax on proposed dividend	-	(15.07)
Transfer to general reserve	-	(71.70)
Total appropriations	(529.33)	(509.71)
Net surplus in the statement of profit and loss	2,227.04	2,019.14
Total reserves and surplus	3,182.66	2,974.76
5 Deferred tax Liability (net)		
Gross Deferred tax Liability		
Tangible Assets and Intangible Assets		
- Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	65.00	63.89
Gross deferred tax liability	65.00	63.89
Gross Deferred tax Asset		
- Provision for doubtful debts / Movie advances and other Assets	(38.72)	(34.99)
- Sec. 40(a)(ia) disallowances	(3.24)	(1.71)
- Others	(0.98)	(1.22)
Gross deferred tax asset	(42.94)	(37.92)
Net deferred tax liability	22.06	25.97
6 Other long-term liabilities		
Interest free deposits from customers	3.85	3.52
	3.85	3.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
7 Long-term Provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 39)	-	0.88
	-	0.88
8 Trade Payables		
Trade payables	37.46	31.78
<p>There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.</p>		
9 Other Current liabilities		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
-Unpaid dividend	0.26	0.22
Deferred revenues	4.08	8.14
Interest free deposits from customers	5.60	5.26
Advances from customers	20.50	8.94
Dues payable in respect of fixed assets	1.87	3.69
Directors' Remuneration payable	96.25	93.50
Employee benefits payable	6.95	9.33
Retention Money payable	0.49	0.49
Statutory dues	4.90	5.75
	140.90	135.32
10 Short Term Provisions		
Provision for employee benefits		
Provision for leave benefits	2.89	2.71
	2.89	2.71
Other provisions		
Proposed dividend	-	88.67
Provision for tax on proposed dividend	-	15.07
Provision for Litigations and Claims (Refer note 38)	3.88	2.87
	3.88	106.61
	6.77	109.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

11 Tangible assets

	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	Total
Gross Block								
At April 1, 2013	87.74	267.41	731.62	65.10	82.80	22.56	19.98	1,277.21
Additions	-	0.24	28.13	1.45	1.23	-	3.04	34.09
Disposals	-	-	(0.03)	-	-	-	(2.70)	(2.73)
At March 31, 2014	87.74	267.65	759.72	66.55	84.03	22.56	20.32	1,308.57
Additions	-	0.02	20.21	0.62	0.40	0.92	2.70	24.87
Disposals	-	(0.01)	(13.59)	(0.68)	-	-	(3.42)	(17.70)
At March 31, 2015	87.74	267.66	766.34	66.49	84.43	23.48	19.60	1,315.74
Depreciation								
At April 1, 2013	-	45.87	334.15	21.28	28.72	11.24	12.72	453.98
Charge for the year (Refer Note-27)	-	16.57	48.73	6.21	9.90	2.50	2.14	86.05
Disposals	-	-	(0.03)	-	-	-	(2.04)	(2.07)
At March 31, 2014	-	62.44	382.85	27.49	38.62	13.74	12.82	537.96
Charge for the year (Refer Note-27)	-	14.91	46.35	5.44	8.26	2.50	2.12	79.58
Disposals	-	-	(13.17)	(0.59)	-	-	(2.54)	(16.30)
At March 31, 2015	-	77.35	416.03	32.34	46.88	16.24	12.40	601.24
Net Block								
At March 31, 2014	87.74	205.21	376.87	39.06	45.41	8.82	7.50	770.61
At March 31, 2015	87.74	190.31	350.31	34.15	37.55	7.24	7.20	714.50

*Note 1: Under certain arrangements between the Company and its Directors, the Company had, from time to time, made payments to vendors for the purpose of acquiring vehicles, which are registered in the names of those Directors. The terms of these arrangements provide for such vehicles to be maintained, operated and used exclusively by the Company for the purpose of its business. The original cost and net book value of such vehicles as at March 31, 2015 are Rs 5.27 crores and Rs 0.17 crores respectively (March 31, 2014 - Rs 5.27 crores and Rs 0.22 crores respectively).

Note 2: Based on a technical assessment and a review of past history of asset usage, management of the Company has determined that the estimates of useful lives of fixed assets as at March 31, 2014 continue to be appropriate and, accordingly, has not revised such useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended). Had the Company adopted the useful life estimates for fixed assets prescribed under Schedule II, the depreciation expense for the year ended March 31, 2015 would have been higher by Rs. 13.51 crores for assets held as of March 31, 2014 and the general reserve as at March 31, 2015 would be lower by Rs. 5.76 crores for assets held as of March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015
(All amounts are in crores of Indian Rupees, unless otherwise stated)

12 Intangible assets

	Film and Program Broadcasting Rights	Film Production Costs, Distribution and Related Rights	Computer Software	Licenses	Goodwill	Total
Gross Block						
At April 1, 2013	1,577.57	368.43	11.00	15.54	19.63	1,992.17
Additions	426.46	11.85	0.96	-	-	439.27
Disposals	(18.88)	-	-	-	-	(18.88)
At March 31, 2014	1,985.15	380.28	11.96	15.54	19.63	2,412.56
Additions	393.77	-	2.90	-	-	396.67
Disposals	(14.52)	-	-	-	-	(14.52)
At March 31, 2015	2,364.40	380.28	14.86	15.54	19.63	2,794.71
Amortization						
At April 1, 2013	1,180.82	368.43	9.96	12.18	19.63	1,591.02
Charge for the year (Refer Note-27)	350.11	11.85	1.15	1.68	-	364.79
Disposals	(18.88)	-	-	-	-	(18.88)
At March 31, 2014	1,512.05	380.28	11.11	13.86	19.63	1,936.93
Charge for the year (Refer Note-27)	505.17	-	1.40	1.68	-	508.25
Disposals	(14.52)	-	-	-	-	(14.52)
At March 31, 2015	2,002.70	380.28	12.51	15.54	19.63	2,430.66
Impairment						
At April 1, 2013	1.90	-	-	-	-	1.90
Charge for the year	2.50	-	-	-	-	2.50
Disposals	-	-	-	-	-	-
At March 31, 2014	4.40	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At March 31, 2015	4.40	-	-	-	-	4.40
Net Block						
At March 31, 2014	468.70	-	0.85	1.68	-	471.23
At March 31, 2015	357.30	-	2.35	-	-	359.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
13 Non-current investments		
Long Term Investments (At cost) - Trade		
Equity instruments (Unquoted)		
-In Subsidiary Companies :		
12,13,05,000 (March 31, 2014 - 12,13,05,000) fully paid equity shares of Rs 10/- each in Kal Radio Limited	121.31	121.31
14,80,92,000 (March 31, 2014 - 14,80,92,000) fully paid equity shares of Rs 10/- each in South Asia FM Limited	148.09	148.09
Preference shares (Unquoted)		
-In Subsidiary Companies :		
14,01,00,410 (March 31, 2014 - 14,01,00,410) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in South Asia FM Limited	140.10	140.10
5,28,80,000 (March 31, 2014 - 5,28,80,000) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in Kal Radio Limited	52.90	52.88
Total Unquoted Non current Investments	462.40	462.38
14 Long term Loans and advances (Unsecured)		
Capital advances		
Considered good	172.66	162.01
Considered doubtful	18.22	13.74
	190.88	175.75
Provision for doubtful capital advances	(18.22)	(13.74)
	172.66	162.01
Security deposit (Considered good)		
Rental and other deposits	5.56	5.30
Deposits with Government agencies	2.36	2.34
	7.92	7.64
Other loans and advances (Considered good)		
Advance income-tax (net of provision for taxation)	68.05	70.67
Prepaid expenses	0.58	1.40
	68.63	72.07
Total	249.21	241.72
15 Current investments		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Quoted equity instruments		
6,04,628 fully paid equity shares of Rs 1/- each (March 31, 2014		
- 10,74,266 fully paid equity shares of Rs 1/- each) in City Union Bank Limited	0.41	0.41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
Unquoted Mutual Funds		
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvest - 61,140 units (March 31, 2014 - 57,410 units)	6.12	5.74
IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend - 33,90,087 units (March 31, 2014 - 31,94,639 units)	3.47	3.27
HDFC High Interest Fund-Short Term Plan-Dividend - 31,64,683 units (March 31, 2014 - 31,94,639 units)	3.37	3.12
Axis Short Term Fund-Institutional Regular Dividend Reinvestment - 43,82,576 units (March 31, 2014 - 40,98,287 units)	4.45	4.16
Templeton India Low Duration Fund-Monthly Dividend Reinvestment - 93,19,116 units (March 31, 2014 - 87,27,363 units)	9.63	8.94
ICICI Prudential FMP Series 68-369 Days Plan 1 Regular Plan Cumulative - 30,00,000 units (March 31, 2014 - 30,00,000 units)	3.00	3.00
HDFC FMP 372D Dec 2013 (1) Series 29-Regular-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
HDFC FMP 453D February 2014 (1) Series 29-Regular-Growth - 52,76,064 units (March 31, 2014 - 52,76,064 units)	5.28	5.28
Birla Sun Life Fixed Term Plan-Series KI (368 days)-Gr.Regular - 30,00,000 units (March 31, 2014 - 30,00,000 units)	3.00	3.00
DSP BlackRock FMP-Series 150-13M-Reg-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
IDFC Fixed Term Plan Series 77 Regular Plan -Growth (399 Days) - 40,00,000 units (March 31, 2014 - 40,00,000 units)	4.00	4.00
Birla Sun Life Fixed Term Plan -Series KR (385 days)-Gr. Regular - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan - 52,40,000 units (March 31, 2014 - 52,40,000 units)	5.24	5.24
IDBI FMP-Series IV-387 Days (March 2015)-G Regular Plan-Growth - 20,00,000 units (March 31, 2014 - 20,00,000 units)	2.00	2.00
UTI Fixed Term Income Fund Series XVIII-IV (366 Days)-Growth Plan - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
ICICI Prudential Banking & PSU Debt Fund-Weekly Dividend Reinvestment-2,10,71,513 units (March 31, 2014 - 1,96,34,793 units)	21.46	20.03
ICICI Prudential FMP Series 72-440 Days Plan L Direct Plan Cumulative - 50,90,326 units (March 31, 2014 - 50,90,326 units)	5.09	5.09
Reliance Fixed Horizon Fund-XXV-Series 19-Growth Plan - 80,48,833 units (March 31, 2014 - 80,48,833 units)	8.05	8.05
TATA Fixed Maturity Plan Series 46 Scheme M-Plan A-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
Kotak FMP Series 145-Growth - 76,08,565 units (March 31, 2014 - 76,08,565 units)	7.61	7.61
Birla Sun Life Treasury Optimizer Plan-Growth-Regular Plan-2,53,237 units	4.00	-
Birla Sun Life Treasury Optimizer Plan-Monthly Dividend-Regular Plan-Reinvestment - 7,15,923 units (March 31, 2014 - Nil Units)	7.33	-
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend-(Regular Plan) - 41,32,853 units (March 31, 2014 - Nil Units)	4.17	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
DWS Short Maturity Fund-Growth(Enam)-21,90,382 units (March 31, 2014 - Nil Units)	5.48	-
Reliance Money Manager Fund-Growth Plan-Growth Option -94,357 units (March 31, 2014 - Nil Units)	18.00	-
Axis Banking Debt Fund-Growth(BDGP)-1,96,203 units (March 31, 2014 - Nil Units)	25.00	-
Baroda Poiner Liquid Fund-Plan A Growth-62,447 units (March 31, 2014 - Nil Units)	10.00	-
ICICI Prudential Liquid-Regular Plan-Growth-2,41,825 units (March 31, 2014 - Nil Units)	5.00	-
SBI-SHF-Ultra Short Term Debt Fund- Regular Plan-Daily Dividend - 2 units (March 31, 2014 - Nil Units)	0.00	-
DWS Short Maturity Fund-Growth-19,96,614 units (March 31, 2014 - Nil Units)	5.00	-
Franklin India Short Term Income Plan-Retail Plan-Growth-34,974 units (March 31, 2014 - Nil Units)	10.00	-
HDFC Short Term Plan-Growth-37,12,876 units (March 31, 2014 - Nil Units)	10.00	-
Reliance Dynamic Bond Fund-Growth Plan--Growth Option-26,40,613 units (March 31, 2014 - Nil Units)	5.00	-
Reliance Short Term Fund-Growth Plan-Growth Option-19,17,994 units (March 31, 2014 - Nil Units)	5.00	-
IDFC Ultra Short Term Fund-Daily Dividend-(Regular Plan) - Nil units (March 31, 2014 - 1,99,83,233 units)	-	20.01
SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Div - Nil units (March 31, 2014 - 49,854 units)	-	5.00
Axis Treasury Advantage Fund-Daily Dividend Reinvestment - Nil units (March 31, 2014 - 49,809 units)	-	5.00
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Dividend Reinvestment - Nil units (March 31, 2014 - 49,62,531 units)	-	5.00
Reliance Money Manager Fund-Institutional Option-Daily Dividend Plan - Nil units (March 31, 2014 - 49,921 units)	-	5.00
Templeton India Low Duration Fund-Monthly Dividend Reinvestment - Nil units (March 31, 2014 - 1,00,62,881 units)	-	10.47
TATA Floater Fund Plan A -Daily Dividend - Nil units (March 31, 2014 - 54,535 units)	-	5.47
L&T Short Term Opportunities Fund-Dividend-Nil units (March 31, 2014 - 51,34,544 units)	-	5.37
DWS Short Maturity Fund-Regular Plan-Monthly Dividend-Reinvestment - Nil units (March 31, 2014 - 25,60,928 units)	-	3.10
Kotak Banking & PSU Debt Fund-Daily Dividend Reinvestment - Nil units (March 31, 2014 - 26,52,753 units)	-	2.66
SBI Premier Liquid Fund-Regular Plan-Daily Dividend - Nil units (March 31, 2014 - 40,327 units)	-	4.05
HDFC Liquid Fund-Dividend Daily Reinvest - Nil units (March 31, 2014 - 39,61,914 units)	-	4.04
DWS Fixed Maturity Plan Series 51-Regular Plan-Growth - Nil units (March 31, 2014 - 50,00,000 units)	-	5.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Daily - Nil units (March 31, 2014 - 40,105 units)	-	4.05
Birla Sun Life Floating Rate Long Term-Daily Dividend-Regular Plan - Nil units (March 31, 2014 - 11,06,472 units)	-	11.11
SBI Debt Fund Series-366 Days 54-Regular Plan -Growth - Nil units (March 31, 2014 - 50,00,000 units)	-	5.00
Total Current Investments	231.16	214.27
Total Value of Quoted Current Investments	0.41	0.41
Market Value of Quoted Investments	5.84	5.67
Total Value of Unquoted Current Investments	230.75	213.86
 16 Inventories (valued at lower of cost and net realizable value)		
Consumables and media	0.48	0.57
Total	0.48	0.57
 17 Trade receivables		
Trade receivables (Unsecured considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	27.75	30.80
- Considered doubtful	71.99	65.05
	99.74	95.85
Provision for doubtful receivables	(71.99)	(65.05)
(A)	27.75	30.80
Other trade receivables	655.78	539.81
Total (A + B)	683.53	570.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***March 31, 2015 March 31, 2014****Trade receivables include:**

Dues from Private Companies in which the Company's directors are members/directors:

Sun Direct TV Private Limited	124.21	114.16
Sun Distribution Services Private Limited	91.51	64.39
Kal Publications Private Limited	0.68	1.01

18 Cash and bank balances**Cash and cash equivalents**

Balances with banks:

On current accounts	40.99	33.68
On unpaid dividend account	0.26	0.22
Cheques on hand	0.02	0.01
Cash on hand	0.02	0.01
	41.29	33.92

Other bank balancesDeposits with original maturity of more than 3 months
but less than 12 months

649.23 528.18

649.23 528.18**690.52 562.10****19 Short term Loans and advances (Unsecured)****Advances recoverable in cash or kind**

Considered good	32.47	26.58
Considered doubtful	11.47	12.85
	43.94	39.43
Provision for doubtful advances	(11.47)	(12.85)
(A)	32.47	26.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
Other loans and advances		
Prepaid expenses - Considered good	10.31	13.36
Balances with statutory/government authorities		
- Considered good	60.19	60.20
- Considered doubtful	2.21	2.21
	72.71	75.77
Provision for doubtful balances with statutory and government authorities	(2.21)	(2.21)
(B)	70.50	73.56
Total (A+ B)	102.97	100.14

20 Other Current assets

Unsecured, considered good unless stated otherwise

Interest accrued		
- on fixed deposits	9.11	1.41
- on inter-corporate deposits / loans to subsidiaries	-	7.00
Other receivables (from Related Parties)	6.44	5.49
Unbilled Revenues	80.28	70.66
Total	95.83	84.56

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
21 Revenue from operations		
Revenues from services		
Advertising income	1,136.09	1,067.04
Broadcast fees	114.64	127.34
International Subscription Revenue	137.72	124.97
Subscription income	738.00	644.48
Income from movie distribution	0.10	14.57
Income from content trading	16.87	12.55
Income from Indian Premier League	100.20	105.53
Others	-	0.30
	2,243.62	2,096.78
22 Other income		
Interest income		
- on bank deposits	64.21	42.79
- on others	0.12	20.56
Dividend income on current investments	13.43	7.51
Profit on sale of Fixed Assets (net)	-	0.13
Gain on foreign exchange fluctuation (net)	1.45	2.81
Export incentives	-	0.07
Liabilities / provisions not required written back	1.98	-
Rental Income	3.73	2.76
Business Support Services	1.94	2.26
Miscellaneous Income	0.97	0.32
	87.83	79.21
23 Cost of Revenues		
Telecast costs	27.40	31.27
Program production expenses	51.00	69.48
Cost of program rights	48.73	35.26
Consumables and media expensed	0.67	1.46
Pay channel service charges	29.53	36.77
Licenses	6.44	5.99
Franchise fee cost	85.05	85.05
Others	5.44	3.88
	254.26	269.16

Cost of Revenue excludes amortisation of film production cost, distribution and related rights which is disclosed in Note - 27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
24 Employees' benefits expense		
Salaries, wages and bonus	68.79	60.39
Gratuity expense (Refer note 39)	(0.04)	0.72
Contributions to provident fund and other funds	7.63	6.77
Staff welfare expense	3.97	3.83
Directors' remuneration		
- Salary	27.15	27.32
- Ex-gratia / Bonus	96.25	93.50
	203.75	192.53
25 Other expenses		
Legal and professional fees	73.93	54.29
(Refer details below for payments made to auditors)		
Travel and conveyance	8.41	8.13
Rent	11.63	14.74
Electricity expense	10.72	10.63
Power and fuel	6.60	8.01
Repairs and maintenance		
- Building	0.93	0.69
- Plant and machinery	9.84	7.01
- Repairs Others	8.35	9.58
Communication	1.94	2.46
Utilities	9.78	8.64
Insurance	0.87	0.81
Bad debts written off	-	4.13
Provision for doubtful debts / movie advances and other assets	10.03	23.42
Provisions for Claims and Litigations	1.01	2.88
Expenditure on Corporate Social Responsibility (Refer Note - 30)	5.62	1.07
Loss on sale of assets (net) / assets scrapped	0.28	-
Rates and taxes	2.46	3.47
Miscellaneous expenses	4.52	3.24
	166.92	163.20
Payment to Auditor		
As auditor:		
Audit fee	0.31	0.31
Limited review	0.18	0.18
Service Tax	0.08	0.08
In other capacity:		
Other services (certification fees)	0.02	0.01
Reimbursement of expenses	0.01	0.01
	0.60	0.59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
26 Advertisement and marketing expenses		
Advertisement and marketing expenses	4.48	10.18
	4.48	10.18
27 Depreciation and amortization expense		
Depreciation of tangible assets	79.58	86.05
Amortization of intangible assets	508.25	364.79
Impairment of intangible assets	-	2.50
	587.83	453.34
28 Finance costs		
Interest		
- on loans against deposits	1.07	2.59
- others	0.69	0.01
Bank charges	0.46	0.27
	2.22	2.87

29 Capital and other commitments

a) Capital Commitments (net of advances)

Particulars	March 31, 2015	March 31, 2014
Outstanding commitments on capital contracts	6.19	6.09
Commitments for acquisition of film and program broadcasting rights	156.24	162.70
Total	162.43	168.79

b) Export Obligations

The Company has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at a concessional rate of customs duty. Under the terms of the scheme, the Company has an export obligation equivalent to six to eight times the duty saved to be fulfilled within a period of six to eight years from date of import of the capital goods.

Accordingly, the Company currently has an export obligation aggregating to Rs. 42.28 crores (March 31, 2014 Rs. 64.19 crores)

c) Royalty Payable to Ministry of Information and Broadcasting ('MIB')

The Group has obtained licenses to permit them to carry FM operations in Chennai, Coimbatore and Tirunelveli. The Group is required to pay royalty of 4% of gross revenue earned from these FM Operations during the financial year or 2.5 % of One Time Entry Fees paid, whichever is higher to Ministry of Information and Broadcasting, as required by terms of requirements of the Grant of Permission Agreement between Sun TV Network Limited ("the Permission Holder") and Ministry of Information and Broadcasting ('MIB') dated September 4, 2006 ("GOPA").

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

d) Franchise rights commitments

As per the terms of the franchise agreement entered into by the Company with the BCCI, the Company has a commitment to pay BCCI, Rs. 85.05 crores per annum for the 2014 season to 2017 season. From the 2018 IPL season, the Company is required to pay license fees at 20% on the Franchise Income earned during the relevant year from the operation of the IPL franchise to BCCI. In the current year the Company has paid an amount aggregating to Rs. 25.52 crores as franchise license fee for the 2015 IPL season.

30. Corporate Social Responsibility (CSR)

Gross amount required to be spent by the company during the year 20.79

Amount Spent during the year on :

	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (1) above	5.62	-	5.62
	5.62	-	5.62

Contribution made to Related Parties: 1.12

31. Litigations & Claims

Note 1 :

a) Matters wherein management has concluded the Company's liability to be probable and have accordingly provided for in the books. Refer Note 38.

b) Matters wherein management has concluded the Company's liability to be probable and have accordingly disclosed under Note (2) Contingent Liability

c) Matters wherein management is confident of succeeding in these litigations and have concluded the liability to the Company to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceeding and claims, in different stages of process, in relation to civil and criminal matters.

Note 2 : Contingent liability

Particulars	March 31, 2015	March 31, 2014
Income Tax*	331.14	276.86
Customs Duty** @	63.63	63.63
Service tax ***	28.26	-
	423.03	340.49

* The Company received demands of income tax disallowing the manner of allowance claimed by the Company for certain expenses. The Company's appeal in respect of various years has been allowed by both the first and the second appellate authorities in the previous years. Accordingly, management believes that based on the favourable judgment as well as relying on judicial pronouncements and other arguments, its position is likely to be accepted by the revenue authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The Company has received demand of income tax disallowing certain expenditure claimed in Assessment Year 2012-13. The Company has made an appeal against the said demand and based on the legal advice obtained by it, the management believes that the Company's claim is likely to be accepted by the appellate authorities.

** The Company has received demand for differential customs duty aggregating to Rs. 0.50 crores on account of incorrect classification of certain assets imported during FY 2007-08. The Company has gone on appeal against the said demand, and based on its arguments at such appellate proceedings, management believes that the Company's claim is likely to be accepted by the authorities.

@ Further to enquiries by the customs authorities on customs duty exemptions availed the Company has received a formal show cause notice containing a provisional demand of Rs. 63.13 crores in the previous year. Then the Company has filed its responses to this notice and has also deposited a sum of Rs. 61.08 crores under protest pending final resolution of the matter. The Management has been advised by senior counsels that appropriate legal remedies are available to the Company in this matter and is accordingly confident of recovering the duty paid.

***The Company received show cause notices from the Service tax department seeking service tax on certain services and disallowances of input credit availed on certain services. The Company has filed appeals for all such show cause notices / orders received with various authorities. The Company based on the judicial pronouncements and other arguments believes its position is likely to be accepted by the authorities.

32 Value of imports calculated on CIF basis

Particulars	March 31, 2015	March 31, 2014
Capital goods	19.82	25.60
Others	1.90	0.61
Total	21.72	26.21

33. Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2015	March 31, 2014
Travelling and related expenses	3.22	1.88
Acquisition of film and program broadcasting rights	4.36	0.67
Satellite Hire Charges	15.51	13.00
Legal and professional charges	30.57	25.34
Others	7.20	5.58
Total	60.86	46.47

34 Earnings in foreign exchange (on accrual basis)

Particulars	March 31, 2015	March 31, 2014
International Subscription Revenue	137.72	124.97
Advertising income	0.42	0.53
Income from Indian Premier League	10.71	-
	148.85	125.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

35 Leases

Operating leases (As a Lessee)

The Company has taken a KU band satellite transponder and office premises on non - cancellable operating lease. Further, there are no restrictions imposed by the lease arrangements and there are no subleases.

Particulars	March 31, 2015	March 31, 2014
Lease payments recognised in the statement of profit and loss for the year	31.13	31.19
Minimum Lease Payments		
Not later than one year	30.51	30.37
Later than 1 year but not later than 5 years	27.39	49.79
Later than 5 years	12.86	-

Operating leases (As a lessor)

The Company has leased out certain parts of its office buildings to its related parties. These non cancellable leases have remaining terms of between 1 and 10 years. As per para 46 of Accounting Standard 19 Leases issued by the Institute of Chartered Accountants of India, the gross block value of such leased property determined based on the area occupied aggregates to Rs.19.92 crores and the accumulated depreciation and net book value of the same was amounted to Rs.5.80 crores and Rs.14.12 crores respectively.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	March 31, 2015	March 31, 2014
Lease income recognised in the statement of profit and loss for the year	3.71	2.73
Minimum Lease Rentals Receivables		
Not later than one year	3.32	3.37
Later than 1 year but not later than 5 years	19.23	6.33
Later than 5 years	13.58	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***36. Un-hedged foreign currency balances**

The Company does not use any derivative instruments to hedge its foreign currency exposure. The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

		March 31, 2015		March 31, 2014	
Particulars	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade Receivables	USD	0.47	29.45	0.23	13.60
Trade Receivables	AUD	0.02	1.04	0.01	0.80
Trade Receivables	GBP	0.02	1.94	0.01	1.25
Advance from customer	USD	0.01	0.50	0.04	2.40
Advance from customer	CAD	0.00	0.00	0.01	0.24
Security Deposits from customers	AUD	0.01	0.24	0.01	0.28
Security Deposits from customers	USD	0.03	1.62	0.03	1.85
Security deposits paid	USD	0.03	1.60	0.03	1.53

37 Disclosures required under Clause 32 of the listing agreement

Particulars	Balance outstanding as at		Maximum amount outstanding at any time during the year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Trade Receivables				
Kal Radio Limited	0.06	0.01	1.55	0.27
South Asia FM Limited	0.01	0.01	0.03	0.27
Interest Accrued				
Kal Radio Limited	-	-	-	7.18
South Asia FM Limited	-	7.00	7.00	14.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

38. As required by Accounting Standard (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" the details of Provisions are set out as under-

Nature of Provision	Opening Balance	Provision for the year	Provision written back /adjusted	Closing Balance
Claims related to Service Tax	2.87	1.01	-	3.88
	2.87	1.01	-	3.88

39. Employee benefit plans - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Statement of Profit and Loss

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	1.06	1.11
Interest cost on benefit obligation	0.59	0.55
Expected return on plan assets	(0.65)	(0.54)
Net actuarial (gain) / loss recognised in the year	(1.04)	(0.40)
Net benefit expense	(0.04)	0.72
Actual return on plan assets	0.61	0.45

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	8.03	7.76
Fair value of plan assets	(8.13)	(6.88)
Plan Liability / (Asset)	(0.10)	0.88
Experience adjustments on plan liability	1.08	0.50
Experience adjustments on plan Asset	(0.04)	(0.10)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	7.76	7.13
Current service cost	1.06	1.11
Interest cost	0.59	0.55
Actuarial (gains) / losses on obligation	(1.08)	(0.50)
Benefits paid	(0.30)	(0.53)
Closing defined benefit obligation	8.03	7.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Fair value of planned assets at the beginning of the year	6.88	5.24
Expected return on plan assets	0.65	0.54
Contributions	0.94	1.73
Benefits paid	(0.30)	(0.53)
Actuarial gain / (loss) on plan assets	(0.04)	(0.10)
Fair value of plan assets at the end of the year	8.13	6.88

The experience adjustments on plan liabilities and assets, and net (surplus) / deficit for the years ended March 31, 2013, March 31, 2012 and March 31, 2011 are as follows:

Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation at the end of the period	7.13	6.24	5.25
Fair value of plan assets	(5.24)	(4.46)	(3.53)
Net deficit	1.89	1.78	1.72
Experience adjustments on plan liabilities	0.21	0.18	0.07
Experience adjustments on plan assets	(0.03)	(0.04)	0.04

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80%	9.10%
Expected rate of return on assets	9.00%	8.75%
Employee turnover	2.00%	2.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Company expects to contribute Rs.1.19 crores to the gratuity fund in the next year. However the actual contribution by the Company will be based in the actuarial valuation report received from the insurance company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

40. Related party transactions

Names of related parties	
1. Individual owning an interest in voting power of the Company that gives them control	
Mr. Kalanithi Maran	
2. Enterprises in which Key Management personnel or their relatives have significant influence	
Kal Comm Private Limited Kal Cables Private Limited Sun Direct TV Private Limited Udaya FM Private Limited Sun Distribution Services Private Limited Sun Business Solutions Private Limited	SpiceJet Limited (Upto February 23, 2015) Kal Publications Private Limited D.K. Enterprises Private Limited Sun Foundation Murasoli Maran Family Trust Kal Media Services Private Limited Kal Airways Private Limited
3. Subsidiary Companies	
South Asia FM Limited Kal Radio Limited	
4. Associates	
AV Digital Networks (Hyderabad) Private Limited Asia Radio Broadcast Private Limited Digital Radio (Kolkata) Broadcasting Limited Metro Digital Networks (Hyderabad) Private Limited Optimum Media Services Private Limited Digital Radio (Mumbai) Broadcasting Limited Deccan Digital Networks (Hyderabad) Private Limited Pioneer Radio Training Services Private Limited Digital Radio (Delhi) Broadcasting Limited South Asia Multimedia Private Limited	
5 Key Management personnel	
Mr. Kalanithi Maran – Executive Chairman Mrs. Kavery Kalanithi – Executive Director Mr. K Vijaykumar – Managing Director and Chief Executive Officer	
6. Relatives of Key Management personnel	
Mrs. Mallika Maran	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Income :						
Subscription Income						
Sun Distribution Services Private Limited	211.47	196.17	-	-	-	-
Sun Direct TV Private Limited	209.93	191.23	-	-	-	-
Advertising Income						
Sun Direct TV Private Limited	-	0.58	-	-	-	-
SpiceJet Limited	0.71	0.12	-	-	-	-
Kal Publications Private Limited	0.38	1.47	-	-	-	-
Income from IPL						
SpiceJet Limited	8.03	5.02	-	-	-	-
Sun Direct TV Private Limited	4.00	0.15	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	1.50	1.50	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	1.00	-	-	-
Kal Radio Limited	-	-	1.50	0.25	-	-
South Asia FM Limited	-	-	-	0.25	-	-
Aircraft charter services						
Kal Publications Private Limited	-	0.30	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Rental and Business Support Income						
Kal Radio Limited	-	-	0.59	0.32	-	-
South Asia FM Limited	-	-	0.23	0.21	-	-
Sun Direct TV Private Limited	1.88	1.59	-	-	-	-
Kal Publications Private Limited	1.59	1.67	-	-	-	-
Others	1.01	1.06	-	-	-	-
Movie Content Income						
Sun Direct TV Private Limited	10.45	7.51	-	-	-	-
Program production expenses						
Kal Publications Private Limited	4.38	4.38	-	-	-	-
Others	-	0.36	-	-	-	-
Pay channel service charges						
Sun Distribution Services Private Limited	21.26	24.16	-	-	-	-
Legal and Professional Fees						
Mrs. Mallika Maran	-	-	-	-	0.02	0.02
Rent Expense						
Kal Publications Private Limited	2.36	2.34	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Expenditure on Corporate Social Responsibility <i>Sun Foundation</i>	1.12	1.07	-	-	-	-
Advertisement expenses <i>Kal Publications Private Limited</i>	0.05	1.55	-	-	-	-
Remuneration paid (including ex-gratia)						
Salary - Mr. Kalanithi Maran	-	-	-	-	13.14	13.14
Salary - Mrs. Kavery Kalanithi	-	-	-	-	13.14	13.14
Salary - Mr. K Vijaykumar	-	-	-	-	0.87	1.04
Ex-gratia / Bonus - Mr. Kalanithi Maran	-	-	-	-	48.13	46.75
Ex-gratia / Bonus - Mrs. Kavery Kalanithi	-	-	-	-	48.12	46.75
Dividends Paid <i>Mr. Kalanithi Maran</i>	-	-	-	-	399.02	273.40
Reimbursement / (Recovery) of Cost of shared services (Net)						
<i>Kal Publications Private Limited</i>	0.27	0.20	-	-	-	-
<i>Kal Radio Limited</i>	-	-	-	0.02	-	-
Travelling Expenses <i>SpiceJet Limited</i>	1.66	1.51	-	-	-	-
Channel Placement Fees <i>Sun Direct TV Private Limited</i>	4.57	9.98	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Balance Outstanding:						
Accounts Receivable						
Sun Direct TV Private Limited	124.21	114.16	-	-	-	-
Sun Distribution Services Private Limited	91.51	64.39	-	-	-	-
Others	0.68	1.03	-	-	-	-
Other Receivable						
Kal Publications Private Limited	5.51	4.73	-	-	-	-
Sun Direct TV Private Limited	0.70	0.57	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	0.13	0.13	-	-
Kal Radio Limited	-	-	0.06	0.01	-	-
South Asia FM Limited	-	-	0.01	0.01	-	-
Sun Business Solutions Private Limited	0.03	0.03	-	-	-	-
Interest accrued on Inter corporate deposits						
South Asia FM Limited	-	-	-	7.00	-	-
Prepaid Expenses						
Sun Direct TV Private Limited	-	4.57	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Rental and other deposits						
Kal Publications Private Limited	0.06	0.06	-	-	-	-
Security Deposit and Other						
Current Liabilities						
Kal Radio Limited	-	-	0.13	0.05	-	-
Kal Publications Private Limited	0.01	0.01	-	-	-	-
Sun Direct TV Private Limited	0.02	0.02	-	-	-	-
Others	0.62	0.62	-	-	-	-
Accounts Payable						
Sun Distribution Services Private Limited	10.29	7.36	-	-	-	-
SpiceJet Limited	-	0.85	-	-	-	-
Kal Publications Private Limited	0.39	0.20	-	-	-	-
Remuneration / Ex-gratia / Bonus Payable						
Mr. Kalanithi Maran	-	-	-	-	48.13	46.75
Mrs. Kavery Kalanithi	-	-	-	-	48.12	46.75
Mr. K. Vijaykumar	-	-	-	-	0.39	0.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

41 Segment information

The Company considers business segments as its primary segment. The Company's operations predominantly relate to Media and Entertainment and, accordingly, this is the only primary reportable segment.

Geographical segments

Year ended March 31, 2015	India	Others	Total
Revenue			
Sales	2,094.77	148.85	2,243.62
Other segment information			
Segment assets	3,466.72	55.97	3,522.69
Total assets			
Capital expenditure:			
Tangible fixed assets	24.87	-	24.87
Intangible fixed assets	396.67	-	396.67
Capita work in Progress	0.05	-	0.05

Year ended March 31, 2014	India	Others	Total
Revenue			
Sales	1,971.28	125.50	2,096.78
Other segment information			
Segment assets	3,371.18	36.74	3,407.92
Total assets			
Capital expenditure:			
Tangible fixed assets	34.09	-	34.09
Intangible fixed assets	439.27	-	439.27
Capital work in Progress	0.47	-	0.47

42 Provisional Attachment order from Enforcement Directorate

Subsequent to March 31 2015, the Company and one of its subsidiaries, South Asia FM Limited ("SAFM"), have received an order from the Enforcement Directorate, Ministry of Finance, Government of India, provisionally attaching Freehold Land and Buildings of the Company aggregating Rs.266.76 crores and fixed deposits with banks and mutual fund investments aggregating Rs. 21.34 crores of SAFM, under the Prevention of Money Laundering Act, 2002 in connection with an investigation not involving the Company / SAFM. Based on the legal opinion received, the Management is confident that the said Provisional Attachment Order by the Enforcement Directorate is not tenable against the Company and / or SAFM. The Company has filed a Writ Petition challenging the said Order and the matter is pending before the Hon'ble High Court of Madras and management is confident of a favourable outcome in due course. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard. Furthermore, the Company / the Group continue to be in full possession of the assets sought to be attached and continue to use the same in the normal course of its business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***43 Investment in Subsidiaries operating in Radio business**

The Ministry of Information and Broadcasting of the Government of India ('MIB') has, during the year, invited applications for the e-Auction of Private FM Radio Phase – III. The Company, its subsidiaries and its investees have filed applications to migrate their existing FM Radio licenses (including three of which expired on 31 March 2015 and others expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime ("FM License Migration Applications"), which are currently being processed by the MIB and their communication is awaited. Management is confident of receiving the approvals for the Company's FM License Migration Applications, which is essential for the continued operations of these FM Radio stations and the recoverability of the Company's investments, direct and indirect, in its radio operations / investees. Accordingly, no impairment to asset values and / or diminution other than temporary in the value of the related assets/investments, have been considered necessary in this regard.

44 Prior year comparatives

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of directors

Chartered Accountants

ICAI Firm registration number: 101049W

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &
Chief Executive Officer

Place : Chennai

Date : May 29, 2015

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 29, 2015

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956

(In Respect of the Subsidiary Companies for the year ended March 31, 2015)

1	Name of the Company	KAL RADIO LIMITED	SOUTH ASIA FM LIMITED
2	No. of Equity Shares held by the company	121,305,000	148,092,000
3	Extent of holding	97.78%	59.15%
4	Financial Year of the Subsidiary ended on	March 31, 2015	March 31, 2015
5	The net aggregate amount of Profits/(Losses) of the subsidiary as far as it concerns the Holding Company.	<u>Rs. In Crores</u>	<u>Rs. In Crores</u>
	1. Dealt with in the Account of Sun TV Network Ltd by way of dividends on the shares held in the subsidiary:		
	(a) For the subsidiaries' financial year ended on 31-3-2015.	Nil	Nil
	(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	Nil	Nil
	2. Not dealt with in the account of Sun TV Network Ltd.		
	(a) For the subsidiaries' financial year ended on 31-3-2015.	25.42	11.54
	(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	(27.81)	(111.93)

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

To the Members of Sun TV Network Limited

Report on Consolidated financial statements

We have audited the accompanying consolidated financial statements of Sun TV Network Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS (Continued)

purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 of the consolidated state of affairs of the Group and its associates as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to notes 41 and 42, regarding matters of material uncertainty in relation to assets of the company and investments in subsidiaries respectively.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries and associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company, its subsidiary companies and its associates companies;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates— Refer Note 33 to the consolidated financial statements;
 - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India.

Other Matter

- a) The accompanying consolidated financial statements include total assets of Rs 526.21 crores as at March 31, 2015, and total revenues and net cash inflows of Rs. 153.26 crores and Rs 45.86 crores for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of Rs. 13.53 crores for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 29, 2015

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

The Group referred herein comprises Sun TV Network Limited ('Holding Company'), its subsidiary South Asia FM Limited & Kal Radio Limited and its Ten Associates incorporated in India and to whom the provisions of the Order apply (referred to as “the Covered entity” in this report)

Re: Sun TV Network Limited

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and subsidiaries and associates during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries and associates, is reasonable having regard to the size of the Holding Company and the Covered entities of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company have conducted physical verification of inventory at reasonable intervals during the year. The business of the Covered entities of the Group does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Covered entities of the Group.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of covered entities, the Holding Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company. The Covered entities of the Group have granted loans to firms covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (b) There is no overdue amount of loans granted by the covered entities of the Group to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of

ANNEXURE TO AUDITOR'S REPORT

the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.

- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Holding Company and the Covered entities of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of certain covered entities. The provision relating to sales tax and value added tax is not applicable to the Group.
- (b) According to the information and explanations given to us, and as reported by other auditors who audited the financial statements of the covered entities in the Group, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Nature of statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Company
Income tax Act	Outstanding Tax Demand	1.74	2004-05 to 2010-11	Associates
Income tax Act	Income Tax Demand	0.02	2008-09 to 2014-15	Associates

- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of covered entities in the Group, the dues outstanding of income-tax, service tax, customs duty, on account of any dispute, are as follows:

ANNEXURE TO AUDITOR'S REPORT

Name of the statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where dispute is pending	Company
Income tax Act, 1961	Income Tax	157.90	FY 2004 – 05 to FY 2008 – 09	High Court	Holding
Income tax Act, 1961	Income Tax	65.02	FY 2006 – 07 to FY 2011-12	Commissioner of Income Tax (Appeals)	Holding
Customs Act, 1962	Differential Customs Duty	0.50	FY 2007 – 08	Customs, Excise and Service Tax Appellate Tribunal	Holding
Finance Act, 1994	Service Tax	1.66	May 2008 to September 2011	CESTAT	Holding
Income tax Act, 1961	Income Tax	0.05	FY 2010-11	Commissioner of Income Tax (Appeals)	Associates
Income tax Act, 1961	Income Tax	0.62	FY 2011-12	Commissioner of Income Tax (Appeals)	Associates

According to information and explanations given to us, there are no dues of wealth-tax, excise duty and cess which are outstanding on account of any dispute.

- (d) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of covered entities, of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time by holding company and to the extent applicable to the covered entities.
- viii) The Holding 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. As reported by the other auditors who audited financial statements of the Covered entities of the Group, the Covered entities except one associate do not have accumulated losses at the end of the financial year which is in excess of fifty per cent of their net worth and have not incurred cash losses in the current and immediately preceding financial year. As reported by such other auditors, one associate Company has accumulated losses at the end of the financial which is more than fifty per cent of its net worth and has incurred cash losses in the current and immediate preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements covered entities, of the Group, we are of the opinion that the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.

ANNEXURE TO AUDITOR'S REPORT

(xi) The Holding Company and the Covered entities of the Group did not have any term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 29, 2015

Consolidated Balance Sheet as at March 31, 2015
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	197.04	197.04
Reserves and surplus	4	3,151.10	2,898.39
		3,348.14	3,095.43
Minority Interest		54.67	40.59
Preference shares in subsidiary held by minority shareholders		93.40	93.40
Non-current liabilities			
Deferred tax liability (net)	5	22.59	25.97
Other long-term liabilities	6	3.85	3.55
Long-term provisions	7	0.47	0.78
		26.91	30.30
Current liabilities			
Trade payables	8	71.91	57.48
Other current liabilities	9	142.63	136.71
Short-term provisions	10	7.36	109.67
		221.90	303.86
TOTAL		3,745.02	3,563.58
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	731.13	795.79
Intangible assets	12	448.08	577.51
Capital work-in-progress		1.83	1.76
Non-current investments	13	225.60	212.07
Long-term loans and advances	14	307.51	289.95
Other non-current assets	15	27.34	1.04
		1,741.49	1,878.12
Current assets			
Current investments	16	280.16	259.52
Inventories	17	0.48	0.57
Trade receivables	18	757.49	630.35
Cash and bank balances	19	759.29	609.41
Short-term loans and advances	20	109.50	105.85
Other current assets	21	96.61	79.76
		2,003.53	1,685.46
TOTAL		3,745.02	3,563.58

Consolidated Balance Sheet as at March 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

For and on behalf of the board of directors

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &

Chief Executive Officer

Place : Chennai

Date : May 29, 2015

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 29, 2015

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Consolidated Statement of Profit and Loss for the year ended March 31, 2015
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2015	March 31, 2014
Income			
Revenues from operations	22	2,395.38	2,223.62
Other income	23	98.91	86.61
Total revenue (I)		2,494.29	2,310.23
Expenses			
Costs of revenues	24	287.50	299.83
Employees' benefits expense	25	235.08	218.99
Other expenses	26	188.62	184.41
Advertisement and marketing expenses	27	6.94	12.35
Depreciation and amortization expense	28	615.31	478.28
Finance costs	29	2.29	2.94
Total (II)		1,335.74	1,196.80
Profit before tax (I) - (II)		1,158.55	1,113.43
Tax expenses			
Current tax		384.08	373.02
Minimum Alternative Tax credit		(4.74)	(2.34)
Deferred tax		(3.38)	(2.47)
Total tax expense		375.96	368.21
Profit before minority interest & Share in Net Profit of associates		782.59	745.22
Share in Profits from Associates		13.53	11.60
Profit after taxes		796.12	756.82
Profit attributable to:			
Owners of equity		782.04	748.01
Minority Interest		14.08	8.81
		796.12	756.82
Profit / (Loss) after tax		782.04	748.01
Earnings per share information:			
Net profit attributable to equity shareholders		782.04	748.01
Weighted average number of equity shares outstanding		39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)		19.84	18.98
Nominal value of equity share (Rs.)		5.00	5.00

Consolidated Statement of Profit and Loss for the year ended March 31, 2015
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of directors

Chartered Accountants

ICAI Firm registration number: 101049W

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &

Chief Executive Officer

Place : Chennai

Date : May 29, 2015

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 29, 2015

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Net profit before taxation	1,158.55	1,113.43
Adjustments to reconcile:		
Depreciation on tangible assets	89.21	93.12
Amortisation of intangible assets	526.10	382.66
Impairment of intangible assets	-	2.50
(Profit) / Loss on sale of fixed assets, net	0.39	(0.14)
Translation loss / (gain) on monetary assets and liabilities	1.11	(0.52)
Provision for doubtful debts/Movie advances and other Assets	10.30	23.74
Provision for litigations and claims	1.01	2.87
Bad debts written off	-	4.13
Liabilities / provisions no longer required written back	(2.02)	(0.13)
Interest income	(72.83)	(69.07)
Dividend income	(15.82)	(9.42)
Interest expense	1.76	4.27
Operating profit before working capital changes	1,697.76	1,547.44
Movements in working capital :		
(Increase) / Decrease in trade receivables	(135.30)	(61.57)
(Increase) / Decrease in inventories	0.09	(0.07)
(Increase) / Decrease in other current assets	(36.80)	(22.60)
(Increase) / Decrease in loans and advances	(4.20)	11.41
Increase / (Decrease) in trade payables and other liabilities	24.45	105.74
Increase / (Decrease) in provisions	(0.13)	(103.92)
Cash generated from / (used in) operations	1,545.87	1,476.43
Direct taxes paid (net of refunds)	(383.60)	(281.73)
Net cash flow from / (used in) operating activities (A)	1,162.27	1,194.70
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances)	(29.30)	(20.67)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)	(410.70)	(410.72)
Purchase of current investments	(514.76)	(440.01)
Sale of investments	494.11	223.76
Proceeds from sale of assets	1.17	0.91
Term deposits placed with banks during the year	(683.31)	(451.67)
Term deposits refunded from banks during the year	542.20	235.12
Interest received	66.47	67.88
Dividends received	15.82	9.42
Net cash from / (used in) investing activities (B)	(518.30)	(785.98)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***March 31, 2015 March 31, 2014****Cash flows (used in) / from financing activities**

Loans availed	793.60	1,031.20
Loans repaid	(793.60)	(1,031.20)
Proposed dividends paid	(88.67)	(78.82)
Tax on proposed dividends paid	(15.07)	(13.39)
Interim dividends paid	(443.35)	(285.71)
Tax on interim dividends paid	(85.98)	(48.56)
Interest paid	(1.76)	(4.27)

Net cash (used in) / from financing activities (C)	(634.83)	(430.75)
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Exchange differences on translation of foreign currency cash and cash equivalents (D)	(0.20)	(0.25)
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Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	8.94	(22.28)
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Cash and cash equivalents at the beginning of the year	39.54	61.82
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Cash and cash equivalents at the end of the year	48.48	39.54
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Notes

March 31, 2015 March 31, 2014

a) The reconciliation to the cash and bank balances as given in Note 19 is as follows :

Cash and bank balances, per Note 19	759.29	609.41
Less : Term deposits placed with banks	(710.81)	(569.87)
Cash and cash equivalents, end of year	48.48	39.54

b) Components of cash and cash equivalents

Cash and cheques on hand	0.07	0.03
With banks - on current account	48.15	39.29
- on unpaid dividend accounts (restricted)*	0.26	0.22

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of directors

Chartered Accountants
ICAI Firm registration number: 101049W

per Aniruddh Sankaran
Partner
Membership No.: 211107

Kalanithi Maran
Chairman

K Vijaykumar
Managing Director &
Chief Executive Officer

Place : Chennai
Date : May 29, 2015

R. Ravi
Company Secretary

V C Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 29, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***1. Background and corporate information**

Sun TV Network Limited ('Sun TV' or 'the Company') was incorporated on December 18, 1985 as Sumangali Publications Private Limited. The Company is engaged in producing and broadcasting satellite television and radio software programming in the regional languages of South India. The Company is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') in India.

The Company has two subsidiaries – Kal Radio Limited ('KRL') and South Asia FM Limited ('SAFML') both of which are incorporated in India. KRL was incorporated on October 7, 2005 as Kal Radio Private Limited and 97.8% (March 31, 2014 – 97.8%) of its paid up equity share capital is held by Sun TV. SAFML was incorporated on November 9, 2005 as South Asia FM Private Limited and as at the balance sheet date, the Company holds 59.15 % (March 31, 2014 – 59.15%) of its paid up equity share capital. KRL and SAFML are engaged in producing and broadcasting radio software programming in Indian regional languages. KRL and SAFML are hereinafter collectively referred to as 'Subsidiaries'.

Sun TV along with its Subsidiaries is hereinafter collectively referred to as 'the Group'.

The Group currently operates television channels in four South Indian languages predominantly to viewers in India, and also to viewers in Sri Lanka, Singapore, Malaysia, United Kingdom, Europe, Middle East, United States, Australia, South Africa and Canada. The Group's flagship channel is Sun TV. The other major satellite channels of the Group are Surya TV, Gemini TV and Udaya TV. The Group is also into the business of FM Radio broadcasting at Chennai, Coimbatore and Tirunelveli. The Group's film production/ distribution division 'Sun Pictures' undertakes production/ distribution of movies in Tamil language. The Company also has the license to operate an Indian Premier League ('IPL') franchise "Sun Risers Hyderabad". KRL operates 18 Frequency Modulation ('FM') stations in South India. SAFML operates 23 FM stations.

SAFML's strategic alliance with Red FM

The Group, through its subsidiary SAFML had entered into a strategic tie-up with Red FM Group to further its FM Radio broadcasting business in the North, West and East Indian markets. As part of the transaction, SAFML has taken up a 48.9% beneficial interest in the Red FM Radio Companies by acquiring the equity of their holding Companies at par.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

SAFML has executed certain agreements with the promoters of Red FM by which it has obtained significant influence in the following Red FM companies, all of which are incorporated in India:

Name	Effective holding of the Group
	March 31, 2015 & March 31, 2014
Deccan Digital Networks (Hyderabad) Private Limited*	17.14%
Metro Digital Networks (Hyderabad) Private Limited*	17.14%
AV Digital Networks (Hyderabad) Private Limited*	17.14%
Pioneer Radio Training Services Private Limited**	28.92%
South Asia Multimedia Private Limited**	28.92%
Optimum Media Services Private Limited**	28.92%
Asia Radio Broadcast Private Limited**	28.92%
Digital Radio (Delhi) Broadcasting Limited**	28.92%
Digital Radio (Mumbai) Broadcasting Limited **	28.92%
Digital Radio (Kolkata) Broadcasting Limited **	28.92%

* - SAFML's effective holding is 28.99%.

** - SAFML's effective holding is 48.89%.

The Companies listed above are hereinafter collectively referred to as 'Associates'.

2. Summary of significant accounting policies

a) Basis of preparation

The Consolidated Financial Statements ('CFS') of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to reflect the financial position and the results of operations of the Group. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Principles of consolidation

Subsidiaries:

- The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the Balance Sheet, at March 31, 2015 and Statement of Profit and Loss and Cash Flows of Sun TV, KRL & SAFML for the year ended March 31, 2015.
- The financial statements of the Subsidiaries used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2015.
- All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

- ❑ Consolidation is applied from the date of obtaining control by the Group, till the date when the Group loses control.
- ❑ On cessation of control, the difference between the proceeds from the disposal of investment in the subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Statement of Profit and Loss as the profit or loss on the disposal of the investment in the subsidiary.
- ❑ Any excess / shortage of cost to the Group of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognized as goodwill / capital reserve in the CFS.
- ❑ Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the group.

Associates:

- ❑ The investment in the associate companies has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2014 (as amended). The Group's share in profits / losses of an associate company is accounted for to the extent of the Group's direct and indirect percentage holding in its share capital of the respective associates.
- ❑ Any excess / shortage of cost to the Group of its investment in the associates over its proportionate share in the equity of such associates as at the date of the investment are identified as goodwill / capital reserve in the CFS.
- ❑ All material unrealised profits and losses resulting from transactions between the group and the associates are eliminated to the extent of the group's interest in the associate.
- ❑ Equity accounting for associates is applied from the date of obtaining significant influence by the Group, till the date when the Group loses significant influence.

The CFS have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Tangible fixed assets and depreciationFixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs, if any, relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Fixed assets under construction and fixed assets acquired but not put to use at the balance sheet date are classified as capital work in progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Depreciation

Based on an technical assessment and a review of past history of asset usage, management of the Company has determined that the estimates of useful lives of fixed assets as at March 31, 2014 continue to be appropriate and, accordingly, has not revised such useful lives to those referred to under schedule II to the Companies Act, 2013 (as amended).

Depreciation on tangible fixed assets other than aircraft and leasehold improvements is provided on written down value method, using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

	<u>Percent</u>
Buildings	5.00 - 13.91
Plant and machinery	13.91 - 20.00
Computer and related equipment	40.00
Furniture and fittings	18.10
Office equipment	13.91
Motor Vehicles	25.89

Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease. The average useful life of leasehold improvements is 3 to 8 years.

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based on management's estimate of useful life of such aircrafts, i.e. 15 years.

Fixed assets individually costing Rs 5,000/- or less are entirely depreciated on purchase.

The gross block of plant and machinery as at March 31, 2015 includes cost of program production equipment of Rs. 151.72 crores (PY Rs. 160.53 crores), post production equipment of Rs. 68.52 crores (PY Rs. 68.15 crores), reception and distribution facilities of Rs. 210.60 crores (PY Rs. 196.03 crores), computer and related equipment of Rs. 118.63 crores (PY Rs. 118.12 crores) and aircraft of Rs. 295.15 crores (PY Rs. 295.15 crores). The net block of plant and machinery as at March 31, 2015 includes the net block of program production equipment of Rs. 19.25 crores (PY Rs. 23.55 crores), post production equipment of Rs. 12.09 crores (PY Rs. 15.16 crores), reception and distribution facilities of Rs. 57.86 crores (PY Rs. 62.66 crores), computer and related equipment of Rs. 18.21 crores (PY Rs. 21.57 crores) and aircraft of Rs. 255.18 crores (PY Rs. 274.84 crores).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

During the year, the management of the subsidiaries and associates based on internal and external technical evaluation reassessed the remaining useful life of assets primarily consisting of Plant and machinery, Furniture and fixtures and motor vehicles with effect from April 1, 2014. The useful lives of certain assets required a change from the previous estimates and accordingly the subsidiaries and associates have adopted the estimated useful life as referred to under schedule II to the Companies Act, 2013 (as amended).

e) Intangible assets and amortization

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

❑ Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software being 3 years, or over the license period of the software, whichever is shorter.

❑ Film and program broadcasting rights ('Satellite Rights')

Acquired Satellite Rights for the broadcast of feature films and other long-form programming such as multi-episode television serials are stated at cost.

Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc., and accordingly cost related to film is fully expensed on the date of first telecast of the film and the cost related to program broadcasting rights are expensed in the ratio that the telecasted episodes bears to the total number of episodes. The maximum useful life of Satellite Rights in the opinion of the management is not likely to exceed 10 years.

❑ Film production costs, distribution and related rights

Upon the theatrical release of a movie, the cost of production / acquisition of all the rights related to each such movie is amortised in the ratio that current period revenue for the movie bears to the management's estimate of the remaining unrecognised revenue for all rights arising from the movie, as per the individual-film-forecast method. The estimates for remaining unrecognised revenue for each movie is reviewed periodically and revised if necessary. The maximum useful life of film production costs, distribution and related rights in the opinion of the management is not likely to exceed 10 years.

Expenditure incurred towards production of movies not complete as at balance sheet date are classified as intangible assets under development.

❑ Licenses

Licenses represent one time entry fees paid to Ministry of Information and Broadcasting ('MIB') under the applicable licensing policy for Frequency Modulation ('FM') Radio broadcasting. Cost of licenses is amortised over the license period, being 10 years.

❑ Goodwill arising on Consolidation

The carrying amount of goodwill arising on consolidation including those arising on investments made by the group in its associates is not amortized and is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment losses are recognised wherever the carrying amount of an asset exceeds its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

f) Impairment of tangible and intangible assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

g) Franchisee Fees

The annual franchise fee payable to the Board of Control for Cricket in India ('BCCI') is recognized as an expense on an accrual basis in accordance with terms of the Company's agreement with BCCI.

h) 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.

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.

Investment in associates

Investments in associates are initially stated at cost. The carrying values of such investments are adjusted by the Group's (direct and indirect) share in profits / losses of the respective associate Group.

Goodwill arising on acquisition of an associate by the Group has been included in the carrying amount of investments in the associates and has been disclosed separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The revenue is recognised net of service tax if any.

- ❑ Advertising income and broadcast fees are recognised when the related commercial or programme is telecast.
- ❑ International Subscription income represents income from the export of program software content, and is recognised in accordance with the terms of agreements with customers.
- ❑ Subscription income represents subscription fees billed to cable operators and Direct to Home ('DTH') service providers towards pay-channels operated by the Group, and are recognised in the period during which the service is provided. Subscription fees billed to cable operators are determined based on management's best estimates of the number of subscription points to which the service is provided, at contractually agreed rates. Subscription income from DTH customers is recognised in accordance with the terms of agreements entered into with the service providers.
- ❑ Revenues from sale of movie distribution / sub-distribution rights are recognised on the theatrical release of the related movie, in accordance with the terms of agreements with customers. Revenues from the theatrical distribution of movies are recognised as they are exhibited, based on box office collections reported by the exhibitors after deduction of taxes and exhibitor's share of net collections.
- ❑ Income from content trading represent revenue earned from mobile service providers and DTH service providers through exploration of content owned by the Company. Income is recognised as per the terms of contract with mobile service providers.
- ❑ Income from Indian Premier League represents following:

Income from franchisee rights is recognised when the rights to receive the payments is established as per the terms of the agreement entered with BCCI. Revenue is recognised as per the information provided by BCCI or as per Management's estimate in case the information is not received. The revenue is allocated on a pro-rata basis to number of matches played during the year as against the total number of matches for the season.

Income from sponsorship fees is recognised on completion of terms of the sponsorship agreement.

Income from sale of tickets is recognised on the dates of the respective matches. The Company reports revenues net of discounts offered on sale of tickets.

Prize money is recognised when right to receive payment is established.

- ❑ Revenues from barter transactions, and the related costs, are recorded at fair values of the services rendered and services received, as estimated by management.
- ❑ Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- ❑ Dividend income is recognised when the right to receive payment is established by the reporting date.
- ❑ Export incentives are recognized on availment of the benefits under the respective schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Revenues recognised in excess of billings are disclosed as “Unbilled Revenue” under other current assets. Billings in excess of revenue recognised are disclosed as “Deferred Revenues” under current liabilities.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes the contribution payable to the provident fund scheme as an expenditure when the employee renders the related service.

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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

m) Operating leasesOperating leases (where the Group is the lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Operating leases (where the Group is the lessor)

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

n) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o) Foreign currency transactionsInitial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

All exchange differences arising on settlement / conversion of foreign currency monetary items are included in the statement of profit and loss.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

p) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Segment reporting

The Group considers business segments as its primary segment. The Group's operations predominantly relate to Media and Entertainment and, accordingly, this is the only primary reportable segment.

The Group considers geographical segments as its secondary segment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

	March 31, 2015	March 31, 2014
3. Share capital		
Authorised Shares		
45,00,00,000 equity shares of Rs 5/- each (March 31, 2014 - 45,00,00,000 of Rs. 5/- each)	225.00	225.00
Issued, subscribed and fully paid-up Shares		
39,40,84,620 equity shares of Rs 5/- each (March 31, 2014 - 39,40,84,620 of Rs. 5/- each)	197.04	197.04
	197.04	197.04

a. Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	39,40,84,620	197.04	39,40,84,620	197.04
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	39,40,84,620	197.04	39,40,84,620	197.04

b. Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 11.25/- share (March 31, 2014: Rs. 9.50/- share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 5 each fully paid	March 31, 2015		March 31, 2014	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	29,55,63,457	75.00%	29,55,63,457	75.00%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	March 31, 2015	March 31, 2014
4 Reserves and surplus		
Securities premium account	471.82	471.82
General reserve		
Balance as per the last financial statements	483.80	412.10
Add: Amount transferred from surplus balance in the statement of profit and loss	-	71.70
Closing Balance	483.80	483.80
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,942.77	1,704.47
Profit for the year	782.04	748.01
Less: Appropriations		
Interim dividend [Rs 11.25/- per share (March 31, 2014: Rs 7.25- per share)]	(443.35)	(285.71)
Tax on interim dividend	(85.98)	(48.56)
Proposed final dividend (March 31, 2014: Rs 2.25/- per share)	-	(88.67)
Tax on proposed dividend	-	(15.07)
Transfer to general reserve	-	(71.70)
Total appropriations	(529.33)	(509.71)
Net surplus in the statement of profit and loss	2,195.48	1,942.77
Total reserves and surplus	3,151.10	2,898.39
5 Deferred tax Liability (net)		
Gross Deferred tax Liability		
Tangible Assets and Intangible Assets		
- Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	65.53	63.89
Gross deferred tax liability	65.53	63.89
Gross Deferred tax Asset		
- Provision for doubtful debts/Movies advances and other assets	(38.72)	(33.35)
- Sec. 40(a)(ia) disallowances	(3.24)	(1.71)
- Others	(0.98)	(2.86)
Gross deferred tax asset	(42.94)	(37.92)
Net deferred tax liability	22.59	25.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
6 Other long-term liabilities		
Interest free deposits from customers	3.82	3.52
Security deposits	0.03	0.03
	3.85	3.55
7 Long-term Provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 37)	0.47	0.78
	0.47	0.78
8 Trade Payables		
Trade payables	71.91	57.48
There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Group has not paid any interest to any Micro and Small Enterprises during the current and previous year.		
9 Other current liabilities		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
-Unpaid dividend	0.26	0.22
Deferred revenues	4.08	8.14
Interest free deposits from customers	5.60	5.26
Advances from customers	21.26	8.94
Dues payable in respect of fixed assets	1.87	3.69
Director's Remuneration Payable	96.25	93.50
Salaries, Wages and other Employee benefits Payable	6.95	9.61
Retention Money Payable	0.49	0.49
Statutory Dues	5.87	6.86
	142.63	136.71
10 Short Term Provisions		
Provision for employee benefits		
Provision for leave benefits	2.89	2.71
	2.89	2.71
Other provisions		
Proposed dividend	-	88.67
Provision for tax on proposed dividend	-	15.07
Provision for litigations and claims	3.88	2.87
Provision for taxation	0.59	0.35
	4.47	106.96
	7.36	109.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

11 Tangible assets

	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	Total
Gross Block								
At April 1, 2013	87.74	267.41	808.49	71.04	83.36	40.63	22.11	1,380.78
Additions	-	0.24	29.52	2.03	1.26	-	3.04	36.09
Disposals	-	-	(0.03)	(0.30)	(0.01)	-	(2.70)	(3.04)
At March 31, 2014	87.74	267.65	837.98	72.77	84.61	40.63	22.45	1,413.83
Additions	-	0.02	20.72	0.62	0.44	1.06	3.26	26.12
Disposals	-	(0.01)	(14.08)	(0.68)	(0.02)	-	(3.42)	(18.21)
At March 31, 2015	87.74	267.66	844.62	72.71	85.03	41.69	22.29	1,421.74
Depreciation								
At April 1, 2013	-	45.87	386.28	23.79	29.08	27.82	14.34	527.18
Charge for the year (Refer Note - 28)	-	16.57	53.94	6.65	9.94	3.75	2.27	93.12
Disposals	-	-	(0.02)	(0.20)	-	-	(2.04)	(2.26)
At March 31, 2014	-	62.44	440.20	30.24	39.02	31.57	14.57	618.04
Charge for the year (Refer Note - 28)	-	14.91	55.33	5.44	8.36	2.78	2.39	89.21
Disposals	-	-	(13.50)	(0.59)	(0.01)	-	(2.54)	(16.64)
At March 31, 2015	-	77.35	482.03	35.09	47.37	34.35	14.42	690.61
Net Block								
At March 31, 2014	87.74	205.21	397.78	42.53	45.59	9.06	7.88	795.79
At March 31, 2015	87.74	190.31	362.59	37.62	37.66	7.34	7.87	731.13

*Note 1: Under certain arrangements between the Company and its Directors, the Company had, from time to time, made payments to vendors for the purpose of acquiring vehicles, which are registered in the names of those Directors. The terms of these arrangements provide for such vehicles to be maintained, operated and used exclusively by the Company for the purpose of its business. The original cost and net book value of such vehicles as at March 31, 2015 are Rs 5.27 crores and Rs 0.17 crores respectively (March 31, 2014 - Rs 5.27 crores and Rs 0.22 crores respectively).

Note 2: Based on a technical assessment and a review of past history of asset usage, management of the Company has determined that the estimates of useful lives of fixed assets as at March 31, 2014 continue to be appropriate and, accordingly, has not revised such useful lives to those referred to under schedule II to the Companies Act, 2013 (as amended). Had the Company adopted the useful life estimates for fixed assets prescribed under Schedule II, the depreciation expense for the year ended March 31, 2015 would have been higher by Rs. 13.51 crores for assets held as of March 31, 2014 and the general reserve as at March 31, 2015 would be lower by Rs. 5.76 crores for assets held as of March 31, 2014.

Note 3: During the year, the management of the subsidiaries based on internal and external technical evaluation reassessed the remaining useful life of assets primarily consisting of Plant and machinery, Furnitures and fixtures and motor vehicles with effect from April 1, 2014. Accordingly the useful lives of certain assets required a change from the previous estimates. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2015 would have been lower by Rs. 2.75 crore for assets held at April 1, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

12 Intangible assets

	Film and Program Broadcasting Rights	Film Production Costs, Distribution and Related Rights	Computer Software	Licenses	Goodwill on Amalgamation	Goodwill on Consolidation	Total
Gross Block							
At April 1, 2013	1,577.57	368.43	16.66	193.48	19.63	43.81	2,219.58
Additions	426.46	11.85	0.96	0.12	-	-	439.39
Disposals	(18.88)	-	-	-	-	-	(18.88)
At March 31, 2014	1,985.15	380.28	17.62	193.60	19.63	43.81	2,640.09
Additions	393.77	-	2.90	-	-	-	396.67
Disposals	(14.52)	-	-	-	-	-	(14.52)
At March 31, 2015	2,364.40	380.28	20.52	193.60	19.63	43.81	3,022.24
Depreciation							
At April 1, 2013	1,180.82	368.43	15.18	110.34	19.63	-	1,694.40
Charge for the year (Refer Note - 28)	350.11	11.85	1.16	19.54	-	-	382.66
Disposals	(18.88)	-	-	-	-	-	(18.88)
At March 31, 2014	1,512.05	380.28	16.34	129.88	19.63	-	2,058.18
Charge for the year (Refer Note - 28)	505.17	-	1.40	19.53	-	-	526.10
Disposals	(14.52)	-	-	-	-	-	(14.52)
At March 31, 2015	2,002.70	380.28	17.74	149.41	19.63	-	2,569.76
Impairment							
At April 1, 2013	1.90	-	-	-	-	-	1.90
Charge for the year	2.50	-	-	-	-	-	2.50
At March 31, 2014	4.40	-	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-	-
At March 31, 2015	4.40	-	-	-	-	-	4.40
Net Block							
At March 31, 2014	468.70	-	1.28	63.72	-	43.81	577.51
At March 31, 2015	357.30	-	2.78	44.19	-	43.81	448.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

13 Non-current investment

March 31, 2015 March 31, 2014

Long Term Investments (At cost) - Trade

Equity instruments (Unquoted)

-In Associate Companies :

AV Digital Networks (Hyderabad) Private Limited

4,13,605 (March 31, 2014 - 4,13,605) fully paid equity shares

of Rs 10/- each

0.66 0.66

Share of Profit / (Loss) from the Associate Company

(0.66) (0.66)

-

-

2,10,00,000 (March 31, 2014 - 2,10,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each

21.72 21.92

Share of Profit / (Loss) from the Associate Company

(0.11) (0.20)

Total

A

21.61 21.72

Metro Digital Networks (Hyderabad) Private Limited

4,13,605 (March 31, 2014 - 4,13,605) fully paid equity shares of Rs 10/- each

8.59 6.03

Share of Profit / (Loss) from the Associate Company

2.57 2.56

11.16 8.59

6,40,00,000 (March 31, 2014 - 6,40,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each

76.30 76.30

Total

B

87.46 84.89

Deccan Digital Networks (Hyderabad) Private Limited

4,13,605 (March 31, 2014 - 4,13,605) fully paid equity shares

of Rs 10/- each

7.02 4.99

Share in Profit/ (Loss) from Associate Company

2.72 2.03

9.74 7.02

5,70,00,000 (March 31, 2014 - 5,70,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each

67.96 67.96

Total

C

77.70 74.98

Asia Radio Broadcast Private Limited

28,57,000 (March 31, 2014 - 28,57,000) fully paid equity shares

of Rs 10/- each

4.13 3.37

Share of Profit / (Loss) from the Associate Company

0.90 0.76

Total

D

5.03 4.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

		March 31, 2015	March 31, 2014
Pioneer Radio Training Services Private Limited			
28,57,000 (March 31, 2014 - 28,57,000) fully paid equity shares of Rs 10/- each		11.86	9.01
Share of Profit / (Loss) from the Associate Company		3.83	2.85
Total	E	15.69	11.86
Optimum Media Services Private Limited			
28,57,000 (March 31, 2014 - 28,57,000) fully paid equity shares of Rs 10/- each		14.49	10.89
Share of Profit / (Loss) from the Associate Company		3.62	3.60
Total	F	18.11	14.49
Total Unquoted Non current Investments	[A+B+C+D+E+F]	225.60	212.07
14 Long term Loans and advances (Unsecured)			
Capital advances			
Considered good		172.87	162.05
Considered doubtful		18.22	13.74
		191.09	175.79
Provision for doubtful capital advances		(18.22)	(13.74)
	(A)	172.87	162.05
Loans to Associates - Considered good		34.46	33.31
		34.46	33.31
Security deposit (Considered good)			
Rental and other deposits		9.05	8.66
Deposits with Government agencies		6.62	6.60
	(B)	15.67	15.26
Advances recoverable in cash or kind			
Considered good		2.17	0.97
	(C)	2.17	0.97
Other loans and advances (Considered good)			
Advance income-tax (net of provision for taxation)		74.69	74.62
Minimum Alternative Tax credit		7.07	2.34
Prepaid expenses		0.58	1.40
	(D)	82.34	78.36
Total	(A+ B + C + D)	307.51	289.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
15 Other Non current assets		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Refer note 19)	27.34	1.04
	27.34	1.04
16 Current investments		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Quoted equity instruments		
- 6,04,628 fully paid equity shares of Rs 1/- each (March 31, 2014- 10,74,266 fully paid equity shares of Rs 1/- each) in City Union Bank Limited	0.41	0.41
Unquoted Mutual Funds		
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvest - 61,140 units (March 31, 2014 - 57,410 units).	6.12	5.74
IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend - 33,90,087 units (March 31, 2014 - 31,94,639 units)	3.47	3.27
HDFC High Interest Fund-Short Term Plan-Dividend - 31,64,683 units (March 31, 2014 - 31,94,639 units)	3.37	3.12
Axis Short Term Fund-Institutional Regular Dividend Reinvestment - 43,82,576 units (March 31, 2014 - 40,98,287 units)	4.45	4.16
Templeton India Low Duration Fund-Monthly Dividend Reinvestment - 93,19,116 units (March 31, 2014 - 87,27,363 units)	9.63	8.94
ICICI Prudential FMP Series 68-369 Days Plan 1 Regular Plan Cumulative - 30,00,000 units (March 31, 2014 - 30,00,000 units)	3.00	3.00
HDFC FMP 372D Dec 2013 (1) Series 29-Regular-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
HDFC FMP 453D February 2014 (1) Series 29-Regular-Growth - 52,76,064 units (March 31, 2014 - 52,76,064 units)	5.28	5.28
Birla Sun Life Fixed Term Plan-Series KI (368 days)-Gr.Regular - 30,00,000 units (March 31, 2014 - 30,00,000 units)	3.00	3.00
DSP BlackRock FMP-Series 150-13M-Reg-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
IDFC Fixed Term Plan Series 77 Regular Plan -Growth (399 Days) - 40,00,000 units (March 31, 2014 - 40,00,000 units)	4.00	4.00
Birla Sun Life Fixed Term Plan -Series KR (385 days)-Gr. Regular - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan - 52,40,000 units (March 31, 2014 - 52,40,000 units)	5.24	5.24
IDBI FMP-Series IV-387 Days (March 2015)-G Regular Plan-Growth - 20,00,000 units (March 31, 2014 - 20,00,000 units)	2.00	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
UTI Fixed Term Income Fund Series XVIII-IV (366 Days)-Growth Plan - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
ICICI Prudential Banking & PSU Debt Fund-Weekly Dividend Reinvestment-2,10,71,513 units (March 31, 2015 - 1,96,34,793 units)	21.46	20.03
ICICI Prudential FMP Series 72-440 Days Plan L Direct Plan Cumulative - 50,90,326 units (March 31, 2014 - 50,90,326 units)	5.09	5.09
Reliance Fixed Horizon Fund-XXV-Series 19-Growth Plan - 80,48,833 units (March 31, 2014 - 80,48,833 units)	8.05	8.07
TATA Fixed Maturity Plan Series 46 Scheme M-Plan A-Growth - 50,00,000 units (March 31, 2014 - 50,00,000 units)	5.00	5.00
Kotak FMP Series 145-Growth - 76,08,565 units (March 31, 2014 - 76,08,565 units)	7.61	7.61
Birla Sun Life Treasury Optimizer Plan-Growth-Regular Plan-2,53,237 units (March 31, 2014 - Nil Units)	4.00	-
Birla Sun Life Treasury Optimizer Plan-Monthly Dividend-Regular Plan-Reinvestment- 7,15,923 units (March 31, 2014 - Nil Units)	7.32	-
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend-(Regular Plan)- 41,32,853 units (March 31, 2014 - Nil Units)	4.17	-
DWS Short Maturity Fund-Growth(Enam)-21,90,382 units (March 31, 2014 - Nil Units)	5.48	-
Reliance Money Manager Fund-Growth Plan-Growth Option -94,357 units (March 31, 2014 - Nil Units)	18.00	-
Axis Banking Debt Fund-Growth(BDGPG)-1,96,203 units (March 31, 2014 - Nil Units)	25.00	-
Baroda Poiner Liquid Fund-Plan A Growth-62,447 units (March 31, 2014 - Nil Units)	10.00	-
ICICI Prudential Liquid-Regular Plan-Growth-2,41,825 units (March 31, 2014 - Nil Units)	5.00	-
SBI-SHF-Ultra Short Term Debt Fund- Regular Plan-Daily Dividend (March 31, 2014 - Nil Units)	0.00	-
DWS Short Maturity Fund-Growth-19,96,614 units (March 31, 2014 - Nil Units)	5.00	-
Franklin India Short Term Income Plan-Retail Plan-Growth-34,974 units (March 31, 2014 - Nil Units)	10.00	-
HDFC Short Term Plan-Growth-37,12,876 units (March 31, 2014 - Nil Units)	10.00	-
Reliance Dynamic Bond Fund-Growth Plan--Growth Option-26,40,613 units (March 31, 2014 - Nil Units)	5.00	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
Reliance Short Term Fund-Growth Plan-Growth Option-19,17,994 units (March 31, 2014 - Nil Units)	5.00	-
IDFC Super Saver Income Fund - Fortnightly Dividend - 10,35,108 units (March 31, 2014 - 10,35,108 units)	1.13	1.06
IDFC Money Manager Fund - Investment Plan - Weekly Dividend- 5,21,954.42 Units (March 31, 2014 - 4,91,277.87 Units)	0.53	0.50
IDFC MMF IP Daily Dividend (RP) - 44,69,854 Units (March 31, 2014 - 42,07,922.493 Units)	4.50	4.23
IDFC Dynamic Bond Fund - Quarterly dividend - 10,00,714 units (March 31, 2014 - 9,80,222 units)	1.14	1.05
Templeton India Low Duration Fund - 39,64,582.17 units (March 31, 2014 - 37,12,835.74 units)	2.27	3.83
HDFC floating rate fund - 5,63,112.19 units	0.67	-
Kotak Banking & PSU Debt fund - Daily Dividend - 35,14,339 units	3.75	3.53
HDFC floating rate IF ST plan WS DD - 51,71,996.57 Units (March 31, 2014 - 48,53,428.848 Units)	5.21	4.89
Franklin India Savings Plus Fund - 10,64,243.596 units (March 31, 2014 - 10,00,921.20 Units)	5.16	1.00
Pramerica Liquid Fund - Daily Dividend - 3,732.057 units (March 31, 2014 - 1,011.07 Units)	0.37	0.10
Axis Treasury Advantage Fund - Daily dividend - 1,06,639.318 Units (March 31, 2014 - Nil Units)	10.70	-
Pramerica Ultra Short Term Bond Fund - Direct Plan - 5,024.471 units (March 31, 2014 - Nil Units)	0.50	-
Pramerica Dynamic Bond Fund - 14,28,034 units (March 31, 2014 - Nil Units)	0.15	-
IDFC Super Saver Income Fund - Short Term Plan Growth - 6,11,211.327 units (March 31, 2014 - Nil Units)	1.72	-
Tata Short term Bond Fund - Plan A - Growth - 20,35,099.539 units (March 31, 2014 - Nil Units)	5.19	-
ICICI Prudential Short Term - Regular Plan - Growth Option - 4,03,503.311 units (March 31, 2014 - Nil Units)	1.14	-
TATA Floater Fund Plan A - Growth - 1,17,72,765 units (March 31, 2014 - Nil Units)	2.41	-
ICICI Prudential Short Term Regular Plan Growth option - 4,03,600.919 Units (March 31, 2014 - Nil Units)	1.14	-
TATA Short Term Bond Fund Plan A - Growth - 2,06,969.919 Units (March 31, 2014 - Nil Units)	0.50	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
ICICI Prudential Savings Fund - Direct Plan - Growth - 39,670.77Units (March 31, 2014 - Nil Units)	0.83	-
ICICI Prudential Short Term Fund - Nil units (March 31, 2014 - 8,95,144 units)	-	1.07
Tata Short term Bond Fund - Plan A - Nil units (March 31, 2014 - 16,04,185 units)	-	2.07
ICICI Prudential Short Term Fund - Nil units (March 31, 2014 - 8,94,928 units)	-	1.07
Templeton India Income Builder account Plan A - Nil units (March 31, 2014 - 16,48,144 units)	-	2.14
IDFC Super Saver Income Fund - Monthly Dividend - Nil units (March 31, 2014 - 10,72,586 units)	-	1.08
IDFC Fixed Term Plan Series 32 Regular Plan - Growth - Nil units (March 31, 2014 - 5,00,000 units)	-	0.50
Tata Fixed Maturity Plan Series 45 - Growth - Nil units (March 31, 2014 - 17,50,209.61 units)	-	1.75
Axis Banking Debt Fund - Weekly Dividend - Nil units (March 31, 2014 - 1,00,562 units)	-	10.11
Birla Sunlife Fixed Term Plan - Nil units (March 31, 2014 - 7,50,000 units)	-	0.75
DWS Fixed Maturity Plan Series 51-Regular Plan-Growth - Nil units (March 31, 2014 - 50,00,000 units)	-	5.00
SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Daily - Nil units (March 31, 2014 - 40,105 units)	-	4.05
Birla Sun Life Floating Rate Long Term-Daily Dividend-Regular Plan - Nil units (March 31, 2014 - 11,06,472 units)	-	11.11
IDFC Ultra Short Term Fund-Daily Dividend-(Regular Plan) - Nil units (March 31, 2014 - 1,99,83,233 units)	-	20.01
SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Div - Nil units (March 31, 2014 - 49,854 units)	-	5.00
Axis Treasury Advantage Fund-Daily Dividend Reinvestment - Nil units (March 31, 2014 - 49,809 units)	-	5.00
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Dividend Reinvestment - Nil units (March 31, 2014 - 49,62,531 units)	-	5.00
Reliance Money Manager Fund-Institutional Option-Daily Dividend Plan - Nil units (March 31, 2014 - 49,921 units)	-	5.00
Templeton India Low Duration Fund-Monthly Dividend Reinvestment - Nil units (March 31, 2014 - 1,00,62,881 units)	-	10.47
TATA Floater Fund Plan A -Daily Dividend - Nil units (March 31, 2014 - 54,535 units)	-	5.47
L&T Short Term Opportunities Fund-Dividend - Nil units (March 31, 2014 - 51,34,544 units)	-	5.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
DWS Short Maturity Fund-Regular Plan-Monthly Dividend-Reinvestment - Nil units (March 31, 2014 - 25,60,928 units)	-	3.10
Kotak Banking & PSU Debt Fund-Daily Dividend Reinvestment - Nil units (March 31, 2014 - 26,52,753 units)	-	2.66
SBI Premier Liquid Fund-Regular Plan-Daily Dividend - Nil units (March 31, 2014 - 40,327 units)	-	4.05
HDFC Liquid Fund-Dividend Daily Reinvest - Nil units (March 31, 2014 - 39,61,914 units)	-	4.04
SBI Debt Fund Series-366 Days 54-Regular Plan -Growth- Nil units (March-14 - 50,00,000 units)	-	5.00
Tata FMP Series 46 Sch C Plan A-Growth- Nil Units (March-14 - 4,99,990 units)	-	2.21
ICICI Prudential FMP Series 73-368 days Plan P DPC- Nil Units - (March -2014 - 7,50,000 units)	-	0.75
HDFC short term fund - Nil units (March 31, 2014 - 5,15,567 units)	-	0.54
HDFC FMP 372D Series 29 - Regular - Growth - Nil units (March 31, 2014 - 10,00,714 units)	-	1.00
Total Current Investments	280.16	259.52
Total Value of Quoted Current investments	0.41	0.41
Market Value of Quoted Investments	5.84	5.27
Total Value of Unquoted Current investments	279.75	259.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
17 Inventories (valued at lower of cost and net realizable value)		
Consumables and media	0.48	0.57
Total	0.48	0.57
18 Trade receivables		
Trade receivables (Unsecured, considered good unless stated otherwise)		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	49.99	45.86
- Considered doubtful	74.00	66.80
	123.99	112.66
Provision for doubtful receivables	(74.00)	(66.80)
	49.99	45.86
Other trade receivables	707.50	584.49
	707.50	584.49
Total	757.49	630.35

Trade receivables include:

Dues from Private Companies in which the Company's directors are members / directors:

Sun Direct TV Private Limited	124.52	114.46
Sun Distribution Services Private Limited	91.51	64.39
Kal Publications Private Limited	7.64	7.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
19 Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	48.15	39.29
On unpaid dividend account	0.26	0.22
Cheques on hand	0.02	0.01
Cash on hand	0.05	0.02
	48.48	39.54
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	710.81	569.87
Margin Money Deposit	27.34	1.04
	738.15	570.91
Less: Disclosed under non current assets - Refer note 15	(27.34)	(1.04)
	759.29	609.41
20 Short term Loans and advances (Unsecured)		
Advances recoverable in cash or kind		
Considered good	32.47	26.58
Considered doubtful	11.47	12.85
	43.94	39.43
Provision for doubtful advances	(11.47)	(12.85)
	32.47	26.58
Other loans and advances		
Prepaid expenses - Considered good	15.55	17.55
Advance income-tax (net of provision for taxation)	1.20	0.92
Balances with statutory/government authorities		
- Considered good	60.28	60.80
- Considered doubtful	2.21	2.21
	79.24	81.48
Provision for doubtful balances with statutory and government authorities	(2.21)	(2.21)
	77.03	79.27
	109.50	105.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
21 Other Current assets		
Unsecured, considered good unless stated otherwise		
Interest accrued		
- on fixed deposits	9.83	3.47
Other receivables (from Related Parties)	6.48	5.63
Unbilled Revenues	80.30	70.66
Total	96.61	79.76
22 Revenue from operations		
Revenues from services		
Advertising income	1,289.35	1,194.38
Broadcast fees	114.64	127.34
International Subscription Revenue	137.72	124.97
Subscription income	738.00	644.48
Income from movie distribution	0.10	14.57
Income from content trading	16.87	12.55
Income from Indian Premier League	98.70	105.03
Others	-	0.30
	2,395.38	2,223.62
23 Other income		
Interest income		
- on bank deposits	70.07	45.94
- on loans to associates	2.57	2.57
- on others	0.19	20.56
Dividend income on current investments	15.82	9.42
Profit on sale of assets (net)	-	0.14
Net gain on sale of current investments	0.82	-
Gain on foreign exchange fluctuation (net)	1.45	2.81
Export incentives	-	0.07
Liabilities / provisions not required written back	2.02	0.19
Rental Income	3.31	2.61
Business Support Services	1.65	1.98
Miscellaneous Income	1.01	0.32
	98.91	86.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

March 31, 2015 March 31, 2014

24 Cost of Revenues

Telecast costs	27.40	31.27
Program production expenses	68.37	85.45
Cost of program rights	48.73	35.26
Consumables and media expensed	0.67	1.46
Pay channel service charges	29.53	36.77
Licenses	22.30	20.67
Franchisee fees	85.05	85.05
Others	5.45	3.90
	287.50	299.83

Cost of Revenue excludes amortisation of film production cost, distribution and related rights which is disclosed in Note - 28

25 Employees' benefit expense

Salaries, wages and bonus	96.07	83.83
Gratuity expense (Refer note 37)	0.88	1.02
Contributions to provident fund and other funds	9.83	8.57
Staff welfare expense	4.30	4.20
Directors' remuneration		
- Salary	27.75	27.87
- Ex-gratia / Bonus	96.25	93.50
	235.08	218.99

26 Other expenses

Legal and professional fees	74.94	55.21
(Refer details below for payments made to auditors)		
Travel and conveyance	9.23	9.05
Rent	15.09	18.11
Electricity expense	18.43	18.16
Power and fuel	8.17	9.59
Repairs and maintenance		
- Building	0.94	0.69
- Plant and machinery	11.00	8.14
- Others	9.64	10.67
Communication	3.32	3.89
Utilities	12.17	10.97
Insurance	0.99	0.92
Bad debts written off	-	4.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
Provisions for claims and litigations	1.01	2.88
Provision for doubtful debts/Movie advances and Other Assets	10.30	23.74
Expenditure on Corporate Social Responsibility (Refer Note - 32)	5.62	1.07
Loss on sale of assets (net) /assets scrapped	0.39	-
Rates and taxes	2.61	3.87
Miscellaneous expenses	4.77	3.32
	188.62	184.41
Payment to auditor		
As auditor:		
Audit fee	0.33	0.31
Limited review	0.18	0.18
Service Tax	0.08	0.08
In other capacity:		
Other services (certification fees)	0.04	0.01
Reimbursement of expenses	0.01	0.01
	0.64	0.59
27 Advertisement and marketing expenses		
Advertisement and marketing expenses	6.94	12.35
	6.94	12.35
28 Depreciation and amortization expense		
Depreciation of tangible assets	89.21	93.12
Amortization of intangible assets	526.10	382.66
Impairment of intangible assets	-	2.50
	615.31	478.28
29 Finance costs		
Interest		
- on loans against deposits	1.07	2.59
- others	0.69	0.01
Bank charges	0.53	0.34
	2.29	2.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

30. Goodwill / (Capital Reserve) arising on investments of the group in its Associates

Name of the Associate	March 31, 2015 and March 31, 2014	
	Original Cost of Acquisition	Goodwill / (Capital Reserve)
Deccan Digital Networks (Hyderabad) Private Limited	0.41	0.38
Metro Digital Networks (Hyderabad) Private Limited	0.41	10.30
AV Digital Networks (Hyderabad) Private Limited	0.41	(0.37)
Pioneer Radio Training Services Private Limited	2.86	3.29
Optimum Media Services Private Limited	2.86	17.29
Asia Radio Broadcast Private Limited	2.86	0.35
	9.81	31.24

The aforesaid disclosure is for both the year ended March 31, 2015 and March 31, 2014

31. Capital and other commitments

a) Capital Commitments (net of advances)

Particulars	March 31, 2015	March 31, 2014
Outstanding commitments on capital contracts	6.19	6.09
Commitments for acquisition of film and program broadcasting rights	156.24	162.70
	162.43	168.79

b) Export Obligations

The Group has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at a concessional rate of customs duty. Under the terms of the scheme, the Group has an export obligation equivalent to eight times the duty saved to be fulfilled within a period of eight years from date of import of the capital goods.

Accordingly, the Group currently has an export obligation aggregating to Rs. 42.28 crores (March 31, 2014 Rs. 64.19 crores)

c) Royalty Payable to Ministry of Information and Broadcasting ('MIB')

The Group has obtained licenses to permit them to carry FM operations in Chennai, Coimbatore and Tirunelveli. The Group is required to pay royalty of 4% of gross revenue earned from these FM Operations during the financial year or 2.5 % of One Time Entry Fees paid, whichever is higher to Ministry of Information and Broadcasting, as required by terms of requirements of the Grant of Permission Agreement between Sun TV Network Limited ("the Permission Holder") and Ministry of Information and Broadcasting ('MIB') dated September 4, 2006 ("GOPA").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***d) Franchise rights commitments**

As per the terms of the franchise agreement entered into by the Group with the BCCI, the Group has a commitment to pay BCCI, Rs. 85.05 crores per annum for the 2014 season to 2017 season. From the 2018 IPL season, the Group is required to pay license fees at 20% on the Franchise Income earned during the relevant year from the operation of the IPL franchise to BCCI. In the current year the Group has paid an amount aggregating to Rs. 25.52 crores as franchise license fee for the 2015 IPL season.

32 Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Group during the year 21.02

Amount Spent during the year on :

	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (1) above	5.62	-	5.62
	5.62	-	5.62

Contribution made to Related Parties: 1.12

33 Litigations and Claims**Note 1 :**

a) Matters wherein management has concluded the Group's liability to be probable and have accordingly provided for in the books. Refer Note 36

b) Matters wherein management has concluded the Group's liability to be possible and have accordingly disclosed under Note (2), below

c) Matters wherein management is confident of succeeding in these litigations and have concluded the liability to the Group to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceeding and claims, in different stages of process, in relation to civil and criminal matters.

Note 2 : Contingent Liabilities

	March 31, 2015	March 31, 2014
Income Tax*	331.14	276.86
Customs Duty** @	63.63	63.63
Service tax***	28.26	-
Claims against the Group not acknowledged as debt	0.10	0.10
	423.13	340.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

* The Group received demands of income tax disallowing the manner of allowance claimed by the Group for certain expenses. The Group's appeal in respect of various years has been allowed by both the first and the second appellate authorities in the previous years. Accordingly, management believes that based on the favourable judgment as well as relying on judicial pronouncements and other arguments, its position is likely to be accepted by the revenue authorities.

The Group has also received demand of income tax disallowing certain expenditure claimed in Assessment Year 2011-12 & Assessment Year 2012-13. The Group has made an appeal against the said demand and based on the legal advice obtained by it, the management believes that the Group's claim is likely to be accepted by the appellate authorities.

** The Group has received demand for differential customs duty aggregating to Rs. 0.5 crores on account of incorrect classification of certain assets imported during FY 2007-08. The Group has gone on appeal against the said demand, and based on its arguments at such appellate proceedings, management believes that the Group's claim is likely to be accepted by the authorities.

@ Further to enquiries by the customs authorities on customs duty exemptions availed by the Group in the previous year, the Group has received a formal show cause notice containing a provisional demand of Rs. 63.13 crores. Then the Group has filed its responses to this notice and has also deposited a sum of Rs. 61.08 crores under protest pending final resolution of the matter. The Management has been advised by senior counsels that appropriate legal remedies are available to the Group in this matter and is accordingly confident of recovering the duty paid.

***The Group received show cause notice from the Service tax department seeking service tax on certain services and disallowances of input credit availed on certain services. The Group has filed appeals for all such show cause notices / orders received with various authorities. The Group based on the judicial pronouncements and other arguments believes its position is likely to be accepted by the authorities.

34. Leases

Operating leases (As a Lessee)

The Group has taken a KU band satellite transponder and office premises on a non cancellable operating lease. Further, there are no restrictions imposed by the lease arrangements and there are no subleases.

Particulars	March 31, 2015	March 31, 2014
Lease payments recognised in the statement of profit and loss for the year	35.18	34.81
Minimum Lease Payments		
Not later than one year	34.10	33.69
Later than 1 year but not later than 5 years	35.79	56.82
Later than 5 years	16.87	-

Operating leases (As a lessor)

The Group has leased out certain parts of its owned corporate office building to its related parties. These non cancellable leases have remaining terms of between 1 and 10 years. As per para 46 of Accounting Standard 19 Leases issued by the Institute of Chartered Accountants of India, the carrying amount of such leased property determined based on the area occupied aggregates to Rs.17.40 crores and the accumulated depreciation and net book value of the same was amounted to Rs.5.06 crores and Rs.12.34 crores respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Future minimum rentals receivable under non cancellable operating leases are as follows:

Particulars	March 31, 2015	March 31, 2014
Lease income recognised in the statement of profit and loss for the year	3.71	2.73
Minimum Lease Rentals Receivables		
Not later than one year	3.32	3.37
Later than 1 year but not later than 5 years	19.23	6.33
Later than 5 years	13.58	-

35. Un-hedged foreign currency balances

The Group does not use any derivative instruments to hedge its foreign currency exposure. The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

		March 31, 2015		March 31, 2014	
Particulars	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade Receivables	USD	0.47	29.45	0.23	13.60
Trade Receivables	AUD	0.02	1.04	0.01	0.80
Trade Receivables	GBP	0.02	1.94	0.01	1.25
Advance from customer	USD	0.01	0.50	0.04	2.40
Advance from customer	CAD	0.00	0.00	0.01	0.24
Security Deposits from customers	AUD	0.01	0.24	0.01	0.28
Security Deposits from customers	USD	0.03	1.62	0.03	1.85
Security deposits paid	USD	0.03	1.60	0.03	1.53

36. As required by Accounting Standard (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" the details of Provisions are set out as under-

Nature of Provision	Opening Balance	Provision for the year	Provision written back /adjusted	Closing Balance
Claims related to Service Tax	2.87	1.01	-	3.88
	2.87	1.01	-	3.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

37. Employee benefit plans - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Group in the form of a qualifying insurance policy. The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Statement of Profit and Loss

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	1.37	1.37
Interest cost on benefit obligation	0.68	0.68
Expected return on plan assets	(0.79)	(0.62)
Net actuarial (gain) / loss recognised in the year	(0.39)	(0.41)
Net benefit expense	0.87	1.02
Actual return on plan assets	0.75	0.54

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	9.98	8.82
Fair value of plan assets	(10.00)	(8.04)
Plan Liability / (Asset)	(0.02)	0.78
Experience adjustments on plan liabilities	0.43	0.51
Experience adjustments on plan Asset	(0.04)	(0.10)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	8.82	7.94
Current service cost	1.37	1.37
Interest cost	0.68	0.68
Actuarial (gains) / losses on obligation	(0.43)	(0.51)
Benefits paid	(0.47)	(0.66)
Closing defined benefit obligation	9.98	8.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Fair value of planned assets at the beginning of the year	8.04	5.88
Expected return on plan assets	0.79	0.62
Contributions	1.68	2.30
Benefits paid	(0.47)	(0.66)
Actuarial gain / (loss) on plan assets	(0.04)	(0.10)
Fair value of plan assets at the end of the year	10.00	8.04

The experience adjustments on plan liabilities and assets, and net (surplus) / deficit for the years ended March 31, 2013, March 31, 2012 and March 31, 2011 are as follows:

Particulars	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation at the end of the period	7.94	6.86	5.61
Fair value of plan assets	(5.88)	(5.12)	(3.89)
Net deficit	2.06	1.74	1.72
Experience adjustments on plan liabilities	0.24	0.18	0.08
Experience adjustments on plan assets	(0.03)	0.03	0.14

The principal actuarial assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80% - 8.00%	8.00% - 9.10%
Expected rate of return on assets	8.00% - 9.00%	8.75%
Employee turnover	1.00% - 3.00%	2.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Group expects to contribute Rs. 1.96 crores to the gratuity fund in the next year. However the actual contribution by the Group will be based in the actuarial valuation report received from the insurance company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

38. Related party transactions

Name of related parties

Individual owning an interest in voting power of the Company that gives them control

Mr. Kalanithi Maran

1. Enterprises in which Key Management personnel or their relatives have significant influence

Kal Comm Private Limited	SpiceJet Limited (Upto February 23, 2015)
Kal Cables Private Limited	Kal Publications Private Limited
Sun Direct TV Private Limited	D.K. Enterprises Private Limited
Udaya FM Private Limited	Murasoli Maran Family Trust
Sun Distribution Services Private Limited	Kal Media Services Private Limited
Sun Foundation	Sun Business Solutions Private Limited
	Kal Airways Private Limited

2. Associates

AV Digital Networks (Hyderabad) Private Limited	Digital Radio (Mumbai) Broadcasting Limited
Asia Radio Broadcast Private Limited	Deccan Digital Networks (Hyderabad) Private Limited
Digital Radio (Kolkata) Broadcasting Limited	Pioneer Radio Training Services Private Limited
Metro Digital Networks (Hyderabad) Private Limited	Digital Radio (Delhi) Broadcasting Limited
Optimum Media Services Private Limited	South Asia Multimedia Private Limited

3 Key Management personnel

Mr. Kalanithi Maran – Executive Chairman
 Mrs. Kavery Kalanithi – Executive Director
 Mr. K Vijaykumar – Managing Director and Chief Executive Officer
 Mr. K Shanmugam – Managing Director of Kal Radio Limited and South Asia FM Limited

4. Relatives of Key Management personnel

Mrs. Mallika Maran

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Transactions and balances with related parties.

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Income :						
Subscription Income						
Sun Distribution Services Private Limited	211.47	196.17	-	-	-	-
Sun Direct TV Private Limited	209.93	191.23	-	-	-	-
Advertising Income						
Sun Direct TV Private Limited	-	0.60	-	-	-	-
SpiceJet Limited	0.71	0.12	-	-	-	-
Kal Publications Private Limited	0.42	1.48	-	-	-	-
Income from IPL						
SpiceJet Limited	8.03	5.02	-	-	-	-
Sun Direct TV Private Limited	4.00	0.15	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	1.50	1.50	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	1.00	-	-	-
Interest earned						
AV Digital Networks (Hyderabad) Private Limited	-	-	2.57	2.57	-	-
Aircraft charter services						
Kal Publications Private Limited	-	0.30	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties.

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Rental and Business Support Income						
Sun Direct TV Private Limited	2.00	1.69	-	-	-	-
Kal Publications Private Limited	1.59	1.67	-	-	-	-
Others	1.01	1.06	-	-	-	-
Movie Content Income						
Sun Direct TV Private Limited	10.45	7.51	-	-	-	-
Program production expenses						
Kal Publications Private Limited	4.40	4.38	-	-	-	-
Others	-	0.36	-	-	-	-
Pay channel service charges						
Sun Distribution Services Private Limited	21.26	24.16	-	-	-	-
Legal and Professional Fees						
Mrs. Mallika Maran	-	-	-	-	0.02	0.02
Mr. K. Shanmugam	-	-	-	-	0.69	0.56
Rent Expense						
Kal Publications Private Limited	2.45	2.65	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Expenditure on Corporate Social Responsibility						
Sun Foundation	1.12	1.07	-	-	-	-
Advertisement expenses						
Kal Publications Private Limited	0.05	1.55	-	-	-	-
Remuneration paid (including ex-gratia)						
Salary - Mr. Kalanithi Maran	-	-	-	-	13.14	13.14
Salary - Mrs. Kavery Kalanithi	-	-	-	-	13.14	13.14
Salary - Mr. K Vijaykumar	-	-	-	-	0.87	1.04
Ex-gratia / Bonus- Mr. Kalanithi Maran	-	-	-	-	48.13	46.75
Ex-gratia / Bonus- Mrs. Kavery Kalanithi	-	-	-	-	48.12	46.75
Salary - Mr. K. Shanmugam	-	-	-	-	0.60	0.55
Dividends Paid						
Mr. Kalanithi Maran	-	-	-	-	399.02	273.40
Share in profits / (losses) from Associates						
Deccan Digital Networks (Hyderabad) Private Limited	-	-	2.72	2.03	-	-
Asia Radio Broadcast Private Limited	-	-	0.90	0.76	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<i>Pioneer Radio Training Services Private Limited</i>	-	-	3.83	2.85	-	-
<i>Optimum Media Services Pvt. Ltd</i>	-	-	3.62	3.60	-	-
<i>Metro Digital Networks (Hyderabad) Private Limited</i>	-	-	2.57	2.56	-	-
<i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	(0.11)	(0.20)	-	-
Reimbursement/(Recovery) of Cost of shared services (Net)						
<i>Kal Publications Private Limited</i>	0.52	0.20	-	-	-	-
Travelling Expenses						
<i>SpiceJet Limited</i>	1.66	1.51	-	-	-	-
Channel Placement Fees						
<i>Sun Direct TV Private Limited</i>	4.57	9.98	-	-	-	-
Balances Outstanding:						
Accounts Receivable						
<i>Sun Direct TV Private Limited</i>	124.52	114.46	-	-	-	-
<i>Sun Distribution Services Private limited</i>	91.51	64.39	-	-	-	-
<i>Others</i>	7.64	7.95	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Other Receivables						
Kal Publications Private Limited	5.57	4.86	-	-	-	-
Sun Direct TV Private Limited	0.70	0.57	-	-	-	-
AV Digital Networks (Hyderabad) Private Limited	-	-	34.46	33.31	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	0.13	0.13	-	-
Udaya FM Private Limited	0.05	0.04	-	-	-	-
Sun Business Solutions Private Limited	0.03	0.03	-	-	-	-
Prepaid Expenses						
Sun Direct TV Private Limited	-	4.57	-	-	-	-
Rental and other deposits						
Kal Publications Private Limited	0.10	0.10	-	-	-	-
Security Deposit and Other Current Liabilities						
Kal Publications Private Limited	0.04	0.01	-	-	-	-
Sun Direct TV Private Limited	0.05	0.04	-	-	-	-
Others	0.62	0.62	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Accounts Payable						
<i>Kal Publications Private Limited</i>	0.39	0.22	-	-	-	-
<i>Sun Distribution Services private limited</i>	10.29	7.36	-	-	-	-
<i>SpiceJet Ltd</i>	-	0.85	-	-	-	-
Ex-gratia / Bonus Payable						
<i>Mr. Kalanithi Maran</i>	-	-	-	-	48.13	46.75
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	48.12	46.75
<i>Mr. K. Vijaykumar</i>	-	-	-	-	0.39	0.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***39 Segment information**

The Group considers business segments as its primary segment. The Group's operations predominantly relate to Media and Entertainment and, accordingly, this is the only primary reportable segment.

Geographical segments

Year ended March 31, 2015	India	Others	Total
Revenue			
Sales	2,246.53	148.85	2,395.38
Other segment information			
Segment assets	3,606.10	55.97	3,662.06
Total assets			
Capital expenditure:			
Tangible fixed assets	26.12	-	26.12
Intangible fixed assets	396.67	-	396.67
Capita work in Progress	0.05	-	0.05

Year ended March 31, 2014	India	Others	Total
Revenue			
Sales	2,098.12	125.50	2,223.62
Other segment information			
Segment assets	3,448.96	36.74	3,485.70
Total assets			
Capital expenditure:			
Tangible fixed assets	36.09	-	36.09
Intangible fixed assets	439.39	-	439.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(All amounts are in crores of Indian Rupees, unless otherwise stated)

40. Additional information required by Schedule III to the Companies Act, 2013

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Sun TV Network Limited	84.69	2,961.11	92.60	737.23
Subsidiaries				
Indian				
South Asia FM Limited	2.38	83.09	2.37	18.85
Kal Radio Limited	4.91	171.74	1.56	12.42
Minority Interest in all subsidiaries				
South Asia FM Limited	1.49	51.92	0.07	0.58
Kal Radio Limited	0.08	2.74	1.70	13.50
Associates (investment as per the equity method)				
Indian				
AV Digital Networks (Hyderabad) Private Limited	0.62	21.61	(0.01)	(0.11)
Asia Radio Broadcast Private Limited	0.14	5.03	0.11	0.90
Digital Radio (Kolkata) Broadcasting Limited	-	-	-	-
Metro Digital Networks (Hyderabad) Private Limited	2.50	87.46	0.32	2.57
Optimum Media Services Private Limited	0.52	18.11	0.45	3.62
Digital Radio (Mumbai) Broadcasting Limited	-	-	0.34	2.72
Deccan Digital Networks (Hyderabad) Private Limited	2.22	77.70	-	-
Pioneer Radio Training Services Private Limited	0.45	15.69	0.48	3.83
Digital Radio (Delhi) Broadcasting Limited	-	-	-	-
South Asia Multimedia Private Limited	-	-	-	-
Total	100.00	3,496.21	100.00	796.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015*(All amounts are in crores of Indian Rupees, unless otherwise stated)***41 Provisional Attachment order from Enforcement Directorate**

Subsequent to March 31 2015, the Company and one of its subsidiaries, South Asia FM Limited ("SAFM"), have received an order from the Enforcement Directorate, Ministry of Finance, Government of India, provisionally attaching Freehold Land and Buildings of the Company aggregating Rs.266.76 crores and fixed deposits with banks and mutual fund investments aggregating Rs. 21.34 crores of SAFM, under the Prevention of Money Laundering Act, 2002 in connection with an investigation not involving the Company / SAFM. Based on the legal opinion received, the Management is confident that the said Provisional Attachment Order by the Enforcement Directorate is not tenable against the Company and / or SAFM. The Company has filed a Writ Petition challenging the said Order and the matter is pending before the Hon'ble High Court of Madras and management is confident of a favourable outcome in due course. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard. Furthermore, the Company / the Group continue to be in full possession of the assets sought to be attached and continue to use the same in the normal course of its business.

42 Investment in Subsidiaries operating in Radio business

The Ministry of Information and Broadcasting of the Government of India ('MIB') has, during the year, invited applications for the e-Auction of Private FM Radio Phase – III. The Company, its subsidiaries and its investees have filed applications to migrate their existing FM Radio licenses (including three of which expired on 31 March 2015 and others expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime ("FM License Migration Applications"), which are currently being processed by the MIB and their communication is awaited. Management is confident of receiving the approvals for the Company's FM License Migration Applications, which is essential for the continued operations of these FM Radio stations and the recoverability of the Company's investments, direct and indirect, in its radio operations / investees. Accordingly, no impairment to asset values and / or diminution other than temporary in the value of the related assets/investments, have been considered necessary in this regard.

43 Prior year comparatives

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 29, 2015

For and on behalf of the board of directors**Kalanithi Maran**

Chairman

R. Ravi

Company Secretary

Place : Chennai

Date : May 29, 2015

K Vijaykumar

Managing Director &
Chief Executive Officer

V C Unnikrishnan

Chief Financial Officer

**STATEMENT PURSUANT TO GENERAL CIRCULAR NO: 2/2011 DATED 8TH FEBRUARY 2011
ISSUED BY MINISTRY OF CORPORATE AFFAIRS RELATING TO SUBSIDIARY COMPANIES**

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Name of the Company	KAL RADIO LIMITED		SOUTH ASIA FM LIMITED	
Particulars	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Share Capital (Incl. Share application money)	176.94	176.94	483.86	483.86
Reserve & Surplus	(2.45)	(28.44)	(169.73)	(189.24)
Total Liability(^)	16.55	14.05	21.48	22.54
Total Assets (#)	191.04	162.55	335.61	317.16
Total Income (including other income)	81.05	68.40	84.11	66.93
Profit / (Loss) before Tax	27.19	19.69	19.50	8.91
Provision for Tax	1.20	0.47	-	-
Profit / (Loss) after Tax	25.99	19.22	19.50	8.91
Proposed Dividend (including Dividend Tax)	-	-	-	-
Investments (included in Total Assets)	33.90	31.59	194.25	192.79

^ (Long Term Borrowings + Deferred tax liability (net) + Other Long term Liabilities + Current Liabilities)

(Net Tangible Fixed assets + Net intangible Assets + Capital work in Progress + Non Current Investments + Deferred tax Assets (Net) + Long Term loans and advances + Other Non Current assets + Current Assets)

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