



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. R. Ravi

BANKERS

City Union Bank Limited, Mandaveli, Chennai - 28
Royal Bank of Scotland, N.V., Chennai - 31
Kotak Mahindra Bank Limited, Annasalai, Teynampet, Chennai - 18
Standard Chartered Bank, Haddows Road, Chennai - 6
The Karur Vysya Bank Limited, Anna Salai, Teynampet, Chennai - 18
ICICI Bank Limited, Cenotaph Road, Teynampet, Chennai - 18
HDFC Bank Limited, ITC Centre, Chennai - 2
Axis Bank Limited, Mylapore, Chennai - 4
Corporation Bank, Mylapore, Chennai - 4
Indian Bank, Kodambakkam, Chennai - 24

AUDITORS

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

REGISTERED OFFICE

Murasoli Maran Towers,
73, MRC Nagar Main Road,
MRC Nagar, Chennai - 28

REGISTRAR AND SHARE TRANSFER AGENT

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

INVESTOR / SHAREHOLDER'S GRIEVANCE COMMITTEE

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

SHARE TRANSFER AND TRANSMISSION COMMITTEE

Mr. Kalanithi Maran Chairman
Mrs. Kavery Kalanithi

MANAGEMENT

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

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FINANCIAL PERFORMANCE FOR LAST 5 YEARS
(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Total Income	18,315.7	19,705.0	14,375.2	10,915.2	9,259.9
Total Expenditure (Excluding Interest & Financial Charges)	7,997.0	8,132.0	5,699.0	4,215.3	3,522.1
Profit before interest and tax	10,318.7	11,573.0	8,676.2	6,699.9	5,737.8
Interest & Financial Charges	55.5	19.8	12.0	38.9	55.6
Profit Before Taxation	10,263.2	11,553.2	8,664.2	6,661.0	5,682.2
Provision for Taxation	3,316.7	3,831.0	2,990.4	2,289.9	2,012.4
Profit after tax	6,946.5	7,722.2	5,673.8	4,371.1	3,669.8
Earnings Per Share (Face value Rs. 5/-)	17.63	19.60	14.40	11.09	9.31

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NOTICE

NOTICE is hereby given that the Twenty Seventh 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 28th day of September 2012 at 10.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Statement of Profit & Loss for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. S. Selvam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. M.K. Harinarayanan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. S. R. Batliboi & Associates, Chartered Accountants, (FRN: 101049W) Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration, and out of pocket expenses, if any, to be fixed by the Board of Directors, on the recommendation of the Audit Committee of the Board.

SPECIAL BUSINESS

6. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) Mr. K. Vijaykumar, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”
7. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) Mr. R. Ravivenkatesh, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company.”

Regd. Office:
Murasoli Maran Towers,
73, MRC Nagar Main Road,
MRC Nagar, Chennai - 28.

May 25, 2012

BY ORDER OF THE BOARD

R. RAVI
COMPANY SECRETARY



NOTICE

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. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September 2012 to 28th September 2012 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
3. The Dividend as recommended by the Board of Directors and to be approved by the Shareholders at the Annual General Meeting to be held on Friday, the 28th September 2012 shall be paid to those members whose names appear on the Register of Members as on the close of 14th September 2012.
4. Members are requested to quote their DP ID & Client ID/ Folio Numbers in all correspondence with the Company.
5. Members and/or their proxies should bring the Attendance Slips duly filled in for attending the meeting.
6. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Board of Directors of the Company had appointed Mr. K. Vijaykumar as an Additional Director with effect from 20th April 2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr. K. Vijaykumar holds office only upto the date of ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company along with the deposit amount, proposing the appointment of Mr. K. Vijaykumar for the office of the Director.

The Board of Directors accordingly recommends the Ordinary Resolution set out at item no.6 of the accompanying Notice for approval of the Members.

A brief profile of Mr. K. Vijaykumar including his nature of expertise as required under Clause 49 of the Listing Agreement is given in the annexure to the Notice.

None of the Directors are interested or concerned in the resolution except Mr. K. Vijaykumar to the extent of his shareholding.

ITEM NO. 7

The Board of Directors of the Company had appointed Mr. R. Ravivenkatesh as an Additional Director with effect from 20th April 2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr. R. Ravivenkatesh holds office only upto the date of ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company along with the requisite amount, proposing the appointment of Mr. R. Ravivenkatesh for the office of the Director liable to retire by rotation.

NOTICE

The Board of Directors accordingly recommends the Ordinary Resolution set out at item no.7 of the accompanying Notice for approval of the Members.

A brief profile of Mr. R. Ravivenkatesh including his nature of expertise as required under clause 49 of the Listing Agreement is given in the annexure to the Notice.

None of the Directors are interested or concerned in the resolution except Mr. R. Ravivenkatesh to the extent of his shareholding.

BY ORDER OF THE BOARD

PLACE: Chennai
DATE: May 25, 2012

R. RAVI
COMPANY SECRETARY

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Mr. K. Vijaykumar	Mr. S. Selvam
Brief Profile	Mr. K. Vijaykumar, aged 47 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 he has over two decades of tremendous and rich experience in the media industry. He had been associated with Sun TV Network Limited since 1994. He is actively involved in the business and operations of Sun TV Network Limited including monitoring and execution of strategic initiatives.	Mr. S. Selvam, aged 72 years is a Non-Executive Director of the Company who joined the Board in August 10, 2008 who is a graduate in Arts from Madras University and has over three decades of tremendous and rich experience in the media industry. He produced about 40 films in South Indian regional languages and scripted number of regional films.
Directorship held in other Companies (Excluding Private Companies and Foreign Companies)	Nil	Nil
Membership / Chairmanship of Committees in Public Companies	Nil	Nil
Shareholding	96	68,59,805
Relationship between Directors inter-se	Nil	Nil



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Mr. M.K. Harinarayanan	Mr. R. Ravivenkatesh
Brief Profile	Mr. M.K. Harinarayanan, aged 48 years, is a Non-Executive Independent Director of the Company who joined the Board in January 2006. He hails from a traditional family who pioneered the brick industry in 1941. He is a developer of residential layouts in the western part of Chennai and owns and operates Service Apartments to cater to the present influx of entertainment, communication and IT industries.	Mr. R. Ravivenkatesh, aged 47 years, is a Non-Executive Independent Director of the Company who joined the Board with effect from 20th April, 2012. Mr. R. Ravivenkatesh has built a diverse mix of successful businesses over the years based in Coimbatore with interests in the manufacture of textile machinery, cotton textiles and yarn, exports of garments. He is also actively involved with the promotion of motor sports and rifle shooting in the city of Coimbatore and adjoining districts. Mr. R. Ravivenkatesh holds a BA degree in English literature from the University of Madras.
Directorship held in other Companies (Excluding Private Companies and Foreign Companies)	SpiceJet Limited	SpiceJet Limited
Membership / Chairmanship of Committees in Public Companies	He is the Chairman of the Investor's Grievance Committee and a Member of Audit Committee and Remuneration Committee of Sun TV Network Limited. He is also the Chairman of Compensation Committee and a Member in Audit Committee and Investor Relations Committee of SpiceJet Limited.	He is a Member of Audit Committee, Investor's Grievance Committee and Remuneration Committee of Sun TV Network Limited.
Shareholding	Nil	16,000
Relationship between Directors inter-se	Nil	Nil

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Twenty Seventh Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

The financial highlights for the financial year ended 31st March 2012 are given below:

(Rs. in Crores)

Particulars	For the year ended	
	31 st March, 2012	31 st March, 2011
Total Income	1,831.57	1,970.50
Total Expenditure (Excluding Interest & Financial Charges)	799.70	813.20
Profit before interest and tax	1,031.87	1,157.30
Interest & Financial Charges	5.55	1.98
Profit Before Tax	1,026.32	1,155.32
Provision for Taxation	331.67	383.10
Profit after tax	694.65	772.22
Accumulated Profit, beginning of the year	1,442.55	1,149.07
Interim Dividend	(344.82)	(197.04)
Tax on Interim dividend	(55.94)	(32.73)
Proposed dividend	(29.56)	(147.78)
Tax on Proposed dividend	(4.80)	(23.97)
Transfer to General Reserve	(69.47)	(77.22)
Profit Carried forward	1,632.61	1,442.55
Earnings Per Share (Face value Rs.5/-)	17.63	19.60

The total Income for the year ended 31st March 2012 was Rs.1,831.57 crores as against Rs.1,970.50 crores during the previous year ended 31st March 2011. Profit Before Tax was Rs.1,026.32 crores as against Rs.1,155.32 crores in the previous year. Profit After Tax was Rs.694.65 crores as against Rs.772.22 crores in the previous year.

FINAL DIVIDEND:

For the financial year ended 31st March 2012, the Board of Directors has recommended a Final Dividend of 15%, i.e., Re. 0.75/- per equity share of face value of Rs.5.00/- each on May 25, 2012. This Final Dividend together with the Interim Dividends of Rs. 2.50/- per equity share (50%), Rs. 3.75/- per equity share (75%) and Rs. 2.50/- per equity share (50%) declared at the Board meeting held on August 1, 2011, November 3, 2011 and February 10, 2012 respectively during the Financial Year 2011-12 would result in a total dividend of 190%, i.e., Rs.9.50/-per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2012. (Prev. Year of 175%, i.e., Rs 8.75/- per equity share of face value of Rs.5.00/- each.)

The Final Dividend subject to the approval of shareholders at the ensuing Annual General Meeting on 28th September 2012 will be paid to the shareholders whose name appear in the Register of Members as on the closure date of 14th September 2012. Your Company has steadily stepped up payment of dividends in recent years. The pay out ratio currently stands at 63%.



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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 also airing FM radio stations across India continued to have sustained and increased viewership of its channels.

During the year under review, your Company has launched many channels including 24 hours High Definition (HD) Channels; 24 hours Action Channels and in other genres.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. K. Vijaykumar was appointed as an Additional Director at the Board Meeting held on 20th April 2012 and as Managing Director & Chief Executive Officer of the Company for a period of 5 (five) years with effect from 20th April 2012 to 19th April 2017 subject to the approval of shareholders through Postal Ballot under Section 192A of the Companies Act, 1956.

Mr. Kalanithi Maran will be "Executive Chairman" of the Company for a period of 5 (five) years with effect from 20th April 2012 to 19th April 2017 subject to the approval of shareholders through Postal Ballot under Section 192A of the Companies Act, 1956.

Mrs. Kavery Kalanithi will be "Executive Director" of the Company for a period of 5 (five) years with effect from 20th April 2012 to 19th April 2017 subject to the approval of shareholders through Postal Ballot under Section 192A of the Companies Act, 1956.

Mr. R. Ravivenkatesh was appointed as an Additional Director at the Board Meeting held on 20th April 2012.

Mr. S. Sridharan has demitted his office as Director of the Company with effect from 19th August 2011. The Board appreciated his performance and efforts made by him during his fruitful tenure as Director in the Company.

Mr. K. Vijaykumar and Mr. R. Ravivenkatesh hold office till the date of the ensuing Annual General Meeting of the Company. Notices have been received from members pursuant to Section 257 of the Companies Act, 1956 together with necessary deposits proposing the appointment of Mr. K. Vijaykumar as Director and Mr. R. Ravivenkatesh as Non-Executive Independent Director of the Company.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S. Selvam and Mr. M.K. Harinarayanan Directors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Board recommends their re-appointment as Directors of your Company.

The information on the particulars of Director eligible for appointment / 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 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis Report, Corporate Governance Report as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance forms a part of the Annual Report.

PARTICULARS OF EMPLOYEES

Sun TV Network Limited had 1908 employees as of 31st March 2012 (previously 2111). In accordance with the provisions of Section 217(2A) of the Companies Act 1956 and the rules framed there under, the required information is annexed and forms part of this Report. However, as per the provisions of Section 219(1) (b) (IV) of the Companies Act, 1956, the Directors Report is being sent to all the Shareholders of the Company excluding the said 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.

AUDITORS

The Audit Committee has recommended to the Board about the re-appointment of Statutory Auditors M/s. S.R.Baliboi & Associates, Chartered Accountants (FRN: 101049W), who retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a letter from the Auditors that they are qualified under Section 224(1B) of the Companies Act, 1956, to act as the Auditors of the Company.

The Board has duly reviewed the Statutory Auditors Report for the year ended 31st March 2012. The notes forming part of the accounts referred in the Auditors' Report of the Company are self-explanatory and do not call for any further explanation.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has donated a sum of Rs. 1.00 crore (previous year Nil) to Chief Ministers' Public Relief Fund and a sum of Rs.2.20 crores (previous year Rs.0.78 crore) to Sun Foundation, a Charitable trust to support the various social welfare activities carried out by the trust.



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

SUBSIDIARY COMPANIES

The two subsidiaries namely Kal Radio Limited and South Asia FM Limited operate FM radio stations across the country. The revenue of the two subsidiaries were at Rs.89.85 crores for the year under review as against Rs.86.99 Crores for the previous year ended 31st March 2011. After accounting for minority interest in South Asia FM Limited the share of loss of the two subsidiaries (Kal Radio Limited and South Asia FM Limited) is Rs.6.54 Crores as against Rs.1.68 crores in the previous year. The Company distributes its channels in United Kingdom / Europe thro' its wholly owned subsidiary, Sun TV Network Europe Limited. Ministry of Corporate Affairs, Government of India has vide its general circular No. 2/2011 granted general exemption from the requirement to attach various documents in respect of subsidiary companies, as specified in sub-section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said circular, is disclosed elsewhere in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

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.

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(v) of the listing agreement.

PARTICULARS AS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As per circular no. 5/12/2007-CL-III dated February 8, 2011 issued by Government of India, a general exemption under Section 212 (8) of the Companies Act, 1956 has been granted. As per this Circular, a company need not make an application to the Central Government for seeking exemption from the requirement of attaching the Directors' Report, Balance Sheet and Statement of Profit and Loss of the subsidiaries to its Balance Sheet, provided the conditions mentioned in the Circular are fulfilled.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Company has fulfilled these conditions and is eligible for this exemption. Accordingly, the Annual Report of your Company does not contain separate financial statements of these subsidiaries, but contains audited consolidated financial statements of the Company and its subsidiaries.

However, a statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries are given along with the consolidated accounts. The annual accounts of the subsidiaries, along with the related information, will be made available to the Members seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection during business hours except Saturdays and holidays at the Registered Office of the Company and its respective subsidiaries.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of section 58A of the Companies Act, 1956 during the financial year ended 31st March 2012.

INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988

(A) CONSERVATION OF ENERGY

The Company is engaged in Satellites Television Broadcasting operations and the information, as intended under Section 217(1) (e) does not arise.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

PARTICULARS	(Rs. in Crores)	
	2012	2011
Foreign Exchange Earnings	85.17	69.00
Foreign Exchange Outgo	26.49	15.91

APPRECIATION AND ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their deep appreciation for the dedication 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 25, 2012

Kalanithi Maran
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS
(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 Media and Entertainment Industry continues to be one of the fastest growing sectors in the world. The emergence of new technologies over the year has radically redefined the way media impacts households and corporations alike.

The key drivers of the growth of Indian Media and Entertainment industry have been the rising spends on entertainment by the growing Indian middle class, increased corporate investments and integration of existing players across the value chain. The imminent implementation of digitization in phases across the country is expected to accelerate revenue streams to all stakeholders in the broadcast media industry, apart from broadening the tax base for the national exchequer. In addition to the expected increase in spend of the Indian middle class towards entertainment, the rising global interest in Indian content is also expected to fuel growth in this industry. Also, technological advances have made it possible to tap the large overseas markets where a large Indian diaspora is increasingly accessing Indian content. Finally, it is expected that liberal government policies favoring Foreign Direct Investment (FDI) will be announced in the coming days, which will continue to aid expansion.

The Indian Media and Entertainment Industry (M&E) registered a growth of 12 percent from INR 728 billion to INR 823 billion in 2012, based on estimates recently released by FICCI-KPMG in their report on the M&E industry. The growth trajectory is led by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and a rapidly growing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,457 billion by 2016.

While television continues to be the dominant medium, related segments such as animation & VFX, digital advertising and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3. Print, while witnessing a decline in growth rate, will continue to be the second largest medium in the Indian M&E industry. Also, the film industry has a reason to cheer, with multiple movies crossing the INR 100 crores mark in domestic theatrical collections, and INR 30 crores mark in C&S rights.

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 six genres of GEC, news, music, 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.

MANAGEMENT DISCUSSION AND ANALYSIS
(Pursuant to clause 49 of the Listing Agreement with Stock Exchanges)

OPPORTUNITIES AND THREATS

Opportunities:

The rapid pace of innovation and the introduction of new TV broadcast technologies 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 is on the threshold of prodigious growth, influenced by many factors such as the convergence of TV, mobile telephony and the internet. 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 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

SEGMENT

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

OUTLOOK

Sun Network with a dominant market share in the four southern states of India (Tamil Nadu, Kerala, Karnataka and Andhra Pradesh), has played a prominent role in the recent strong growth witnessed in the regional media markets in India. Its presence across genres like general entertainment, movies, music and news ensure continued and sustained viewership. 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.



MANAGEMENT DISCUSSION AND ANALYSIS
(Pursuant to clause 49 of the Listing Agreement with Stock Exchanges)

As the largest regional television network, Sun Network would be one of the major beneficiaries of the recent growth in the DTH space. With the entry of new players like Reliance Big TV, Bharti and others into the DTH market, 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 2012 was Rs.1,831.57 crores as against Rs.1,970.50 crores during the previous year ended 31st March 2011. Profit Before Tax was Rs.1,026.32 crores as against Rs.1,155.32 crores in the previous year. Profit After Tax was Rs.694.65 crores as against Rs.772.22 crores in the previous year. This Final Dividend together with the Interim Dividends of Rs.2.50/- per equity share (50%), Rs.3.75/- per equity share (75%) and Rs.2.50/- per equity share (50%) declared at the Board meeting held on August 1, 2011, November 3, 2011 and February 10, 2012 respectively during the Financial Year 2011-12 would result in a total dividend of 190%, i.e., Rs.9.50/-per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2012. (Prev. Year of 175%, i.e., Rs.8.75/- per equity share of face value of Rs.5.00/- each.) The Reserves and Surplus of the Company as on 31st March 2012 stood at Rs.2,448.20 crores as against Rs.2,188.67 crores as on 31st March 2011.

Human Resources:

At Sun Network, with 1908 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: May 25, 2012

K. Vijaykumar
Managing Director & Chief Executive Officer

FINANCIAL REVIEW 2011-12
(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

1. EARNINGS

Total Income

The total Income for the year ended 31st March 2012 was Rs.1,831.57 crores as against Rs.1,970.50 crores during the previous year ended 31st March 2011. 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.1,026.32 crores as against Rs.1,155.32 crores in the previous year. Profit After Tax was Rs.694.65 crores as against Rs.772.22 crores in the previous year.

Dividend

The outgo on account of interim and final dividend including dividend tax is Rs.435.12 crores (previous year Rs.401.52 crores).

2. FINANCIAL POSITION

Shareholder's Funds

Shareholders' Fund as on 31st March 2012 was Rs.2,645.24 crores (previous year Rs.2,385.71 crores).

Loan funds

The Company is debt free and had no loan funds – secured or unsecured as on 31st March 2012 (previous year Nil)

Assets

Net block of fixed assets were at Rs.770.57 crores. The net addition to fixed assets for the year was Rs.78.02 crores. The capital expenditure was funded through internal accruals and deployment of IPO proceeds. Net block of intangible assets and capital work in progress (including capital advances and intangible assets under development) as on 31st March, 2012 were at Rs.292.49 and Rs.377.69 crores respectively.

3. RATIOS

Earnings per share

The Earnings per share of face value of Rs.5.00/- for the year ended 31st March 2012 is Rs.17.63 (previous year Rs.19.60).

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's (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.



FINANCIAL REVIEW 2011-12
(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

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.

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 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.

FINANCIAL REVIEW 2011-12
(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

Leverage Risk

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

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 review 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.

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.

On behalf of the Board

Place : Chennai
Date : May 25, 2012

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

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 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**

Six Board Meetings were held during the year. The dates on which the said meetings held are as follows:

26th May 2011, 12th July 2011, 1st August 2011, 3rd November 2011, 10th February 2012 and 19th March 2012.

Attendance of each Director at the Board Meetings and last Annual General Meeting and the number of companies and committees where he/she is a Director/Member.

Name of the Director	Category	Attendance		No. of Directorships in public limited companies including this company	Committee Memberships (including this Company)	
		Board	AGM		Chairman	Member
Mr. Kalanithi Maran	Executive Chairman	6	Yes	4	Nil	Nil
Mrs. Kavery Kalanithi	Executive Director	6	Yes	4	Nil	2
Mr. K. Vijaykumar*	Managing Director	---	---	1	Nil	Nil
Mr. S. Selvam	Director	6	Yes	1	Nil	Nil
Mr. S. Sridharan*	Independent Director	3	---	2	3	2
Mr. J. Ravindran	Independent Director	6	Yes	4	5	4
Mr. M.K. Harinarayanan	Independent Director	6	Yes	2	1	1
Mr. Nicholas Martin Paul	Independent Director	6	Yes	2	Nil	4
Mr. R. Ravivenkatesh*	Independent Director	—	—	2	Nil	2

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

*Mr. S. Sridharan has resigned his office as Director with effect from 19th August 2011 and Mr. K. Vijaykumar and Mr. R. Ravivenkatesh have been appointed as Managing Director and Independent Director of the Company respectively with effect from 20th April 2012.

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, 1992, 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.

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. Ravivenkatesh, all are Non-Executive Independent Directors of the Company with Mr. J. Ravindran as its Chairman.

Mr. R. Ravi acts as secretary of the committee

• **Meetings and the attendance during the year**

Four meetings of the Audit Committee were held during the year and the dates are 26th May 2011, 1st August 2011, 3rd November 2011 and 10th February 2012.

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

*Mr. S. Sridharan resigned as a member of the Audit Committee with effect from 19th August 2011.

** Mr. R. Ravivenkatesh has been inducted as a member of the Audit Committee with effect from 20th April 2012.

• **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 Agreements as well as in Section 292 A of the Companies Act, 1956. The role of Audit Committee is as prescribed under Clause 49(II)(D) of the Listing Agreements.

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

4. Remuneration Committee and Remuneration Policy

The 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 Director(s).

This Committee comprises entirely of Independent Directors. The Committee met on 26th May 2011.

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

*Mr. S. Sridharan resigned as a member of the Remuneration Committee with effect from 19th August 2011.

** Mr. R. Ravivenkatesh has been inducted as a member of the Remuneration Committee with effect from 20th April 2012.

• **Remuneration to Directors**

The Remuneration paid /payable to the Executive Chairman (formerly Chairman and Managing Director) for the year ended 31st March 2012 is as follows:

	(Rs. in Million)
Salary	108.60
Perquisites and other allowances	461.50
Total	570.10

The Remuneration paid/payable to the Executive Director (formerly Joint Managing Director) for the year ended 31st March 2012 is as follows:

	(Rs. in Million)
Salary	108.60
Perquisites and other allowances	461.50
Total	570.10

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 2012 is as follows:

	(Rs.in Million)
Name of the Director	Sitting fee *
Mr. S. Sridharan	0.02
Mr. M. K. Harinarayanan	0.03
Mr. J. Ravindran	0.03
Mr. Nicholas Martin Paul	0.03
Mr. S. Selvam	0.01
Mr. R. Ravivenkatesh**	NA

*Includes sitting fee paid for attending Committee Meetings.

** Mr. R. Ravivenkatesh has been inducted as a member of the Board with effect from 20th April 2012.

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

5. Investor / Shareholder's Grievance Committee

The Investor Grievance Committee is functioning to look into Redressal of Investor/Shareholders complaints expeditiously.

The Investor/Shareholder's Grievance Committee Comprises of Mr. M.K. Harinarayanan, Chairman, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as members.

During the year Mr. S. Sridharan resigned as a member of the Investor/Shareholder's Grievance Committee with effect from 19th August 2011.

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

The Committee met on 4 occasions during the year on 26th May 2011, 1st August 2011, 3rd November 2011, and 10th February 2012. 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	4
Mr. S. Sridharan	2
Mr. Nicholas Martin Paul	4
Mr. R. Ravivenkatesh*	-

* Mr. R. Ravivenkatesh has been inducted as a member of the Investor/Shareholder's Grievance Committee with effect from 20th April 2012.

During the year, the Company received 30 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 31.03.2012.



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

6. Share Transfer and Transmission Committee.

The Share Transfer and Transmission Committee oversees and reviews all matters connected with transfers, transmissions, transpositions, splitting, consolidation of shares, Demat and Remat requests.

The Share Transfer and Transmission Committee comprises of Mr. Kalanithi Maran, Executive Chairman as Chairman and Mrs. Kavery Kalanithi, Executive Director, as Member.

The Committee met on 5 occasions during the year on 1st August 2011, 3rd November 2011, 7th December 2011, 10th February 2012 and 9th March 2012. The names and attendance of Committee members are given below:

Name of the Director	No. of Meetings attended
Mr. Kalanithi Maran	5
Mrs. Kavery Kalanithi	5

7. General Meetings

- Details of the location, date and time of the last 3 Annual General Meetings (AGM) and the details are given below:

Year	Meeting	Location	Date	Time
2010 - 11	AGM	"Kalaingar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	19.09.2011	10.00 am
2009 - 10	AGM	Narada Gana Sabha, 314, T T K Road, Chennai - 600 018.	05.08.2010	10.00 am
2008 - 09	AGM	Narada Gana Sabha, 314, T T K Road, Chennai - 600 018.	25.09.2009	10.00 am

Special Resolution passed in the previous Three Annual General Meetings

NIL

8. Disclosure

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

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

9. CEO and CFO Certification

The Managing Director and Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal control to the Board in terms of Clause 49. The Managing Director and Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreements.

10. 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.

11. Management Discussions and Analysis Report

Management Discussion and Analysis report is annexed

12. Shareholders Information

The details are enclosed elsewhere in the report

13. 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. Remuneration Committee

The Board has constituted a Remuneration Committee, which is entirely comprised of independent Directors. The Committee also discharges the duties and responsibilities as described under non-mandatory requirement of Clause 49 of Listing Agreement. The details of the Committee and its powers have been discussed in this section of the Annual Report.

3. 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.

4. 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 : ravi@sunnetwork.in



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

- **Forthcoming Annual General Meeting**

28th September 2012
"Kalaingar Arangam", Anna Arivalayam,
367/369, Anna Salai, Teynampet, Chennai – 600 018

- **Financial Year**

1st April 2011 to 31st March 2012.

- **Book Closure Dates**

From 15th September 2012 to 28th September 2012 (both days inclusive)

- **Dividend**

For the financial year ended 31st March 2012, the Board of Directors has recommended a Final Dividend of Re.0.75 per equity share (15%) of Face Value of Rs.5.00/- each on May 25, 2012. This Final Dividend together with the Interim Dividends of Rs.2.5 per share (50%), Rs.3.75 per share (75%) and Rs. 2.5 per share (50%) declared at the Board meeting held on August 1, 2011, November 3, 2011 & February 10, 2012 respectively during the Financial Year 2011-12 would result in a total dividend of 190 % i.e., Rs. 9.50 per equity share of face value of Rs. 5.00/- each for the financial year ended 31st March 2012. (Prev. Year of 175%, i.e., Rs 8.75 per equity share of face value of Rs.5.00/- each)

The Final Dividend of Re.0.75/- per equity share (15%) of face value of Rs. 5.00/- each will be paid after approval by the Members of the Company at the ensuing Annual General Meeting.

- **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**

- **Shareholders holding shares in physical form**

Please notify the change in your address if any, to the Company's registrar Karvy Computershare Private Limited, immediately and not later than 14th September, 2012 to enable them to forward the dividend warrants to your present address. Members are also advised to intimate M/s Karvy Computershare Private Limited the details of their bank account to enable the same to be incorporated in the dividend warrants. This would help to prevent any fraudulent encashment of dividend warrants.

- **Shareholders holding shares in demat form**

The Company with respect to payment of dividend to shareholders, provides the facility of ECS at the following cities:

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Guwahati, Patna and Trivandram, the dividend would be remitted by ECS to your bank account. The Company would advise you after remittance of the dividend.

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

In respect of shareholders residing in other centers, the bank account details furnished by your Depository Participants (DPs) would be incorporated in the dividend warrants and these would be mailed to the registered addresses. If there is any change in the bank account details kindly advise your DPs immediately about change.

Further, if there is any change in your address kindly advise your DPs immediately about the change.

• **Listing on Stock Exchanges and Stock Code**

Stock Exchange	Stock Code
National Stock Exchange of India Ltd, Exchange Plaza, Bandra -Kurla Complex, Bandra(E), Mumbai 400 051	Symbol - SUN TV Series - EQ
Bombay Stock Exchange Ltd 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

• **Share Transfer Process**

- ♦ The physical transfers and other requests from the Shareholders are processed by Karvy Computershare Private Limited.
- ♦ The Board delegated the power to approve the transfers to the Share Transfer Committee and the transfers are approved as and when necessary.
- ♦ A Practicing Company Secretary issues Compliance Certificate, pertaining to the share transfers every six months and the same is filed with the Stock Exchanges.
- ♦ As per SEBI's instructions, the Company's Shares can be sold through stock exchange only in dematerialized form.

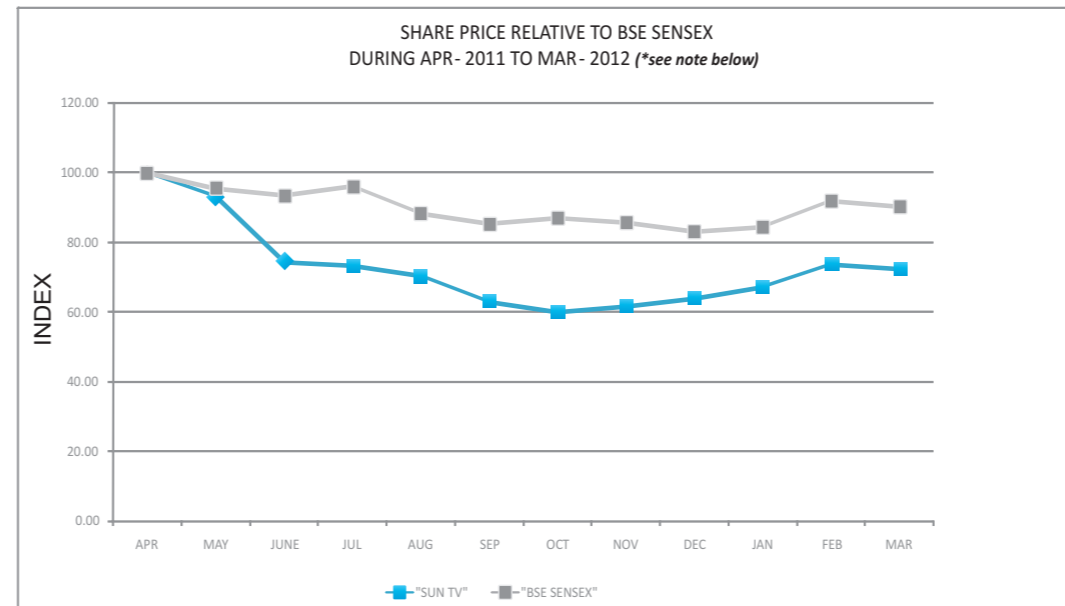
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REPORT ON CORPORATE GOVERNANCE
(Pursuant to clause 49 of the Listing Agreement)

- ♦ **Market price data & performance in comparison with BSE and NSE Indices**
- ♦ **Market Price Data**

Month	B.S.E			N.S.E		
	High	Low	Traded Volume (No. of shares)	High	Low	Traded Volume (No. of shares)
Apr-11	457.90	412.00	2,63,346	465.00	411.05	29,13,028
May-11	435.95	373.95	1,01,75,534	435.35	374.40	81,00,623
Jun-11	384.00	260.10	14,85,281	374.90	260.10	14,61,84,378
Jul-11	359.50	277.65	2,54,244	361.80	283.60	4,00,86,485
Aug-11	330.00	280.00	15,69,040	329.95	285.75	1,30,99,070
Sep-11	314.90	230.55	4,41,59,273	305.25	230.10	1,46,86,485
Oct-11	305.25	214.50	88,14,473	305.25	214.10	2,88,56,506
Nov-11	294.30	239.60	25,57,018	294.90	235.00	1,69,34,684
Dec-11	299.90	255.00	26,57,118	299.75	251.00	1,47,64,753
Jan-12	308.00	273.90	57,58,142	307.40	273.50	1,82,91,190
Feb-12	343.00	296.00	34,70,306	343.90	295.10	2,52,68,039
Mar-12	329.90	297.25	23,37,320	329.50	296.85	82,71,982

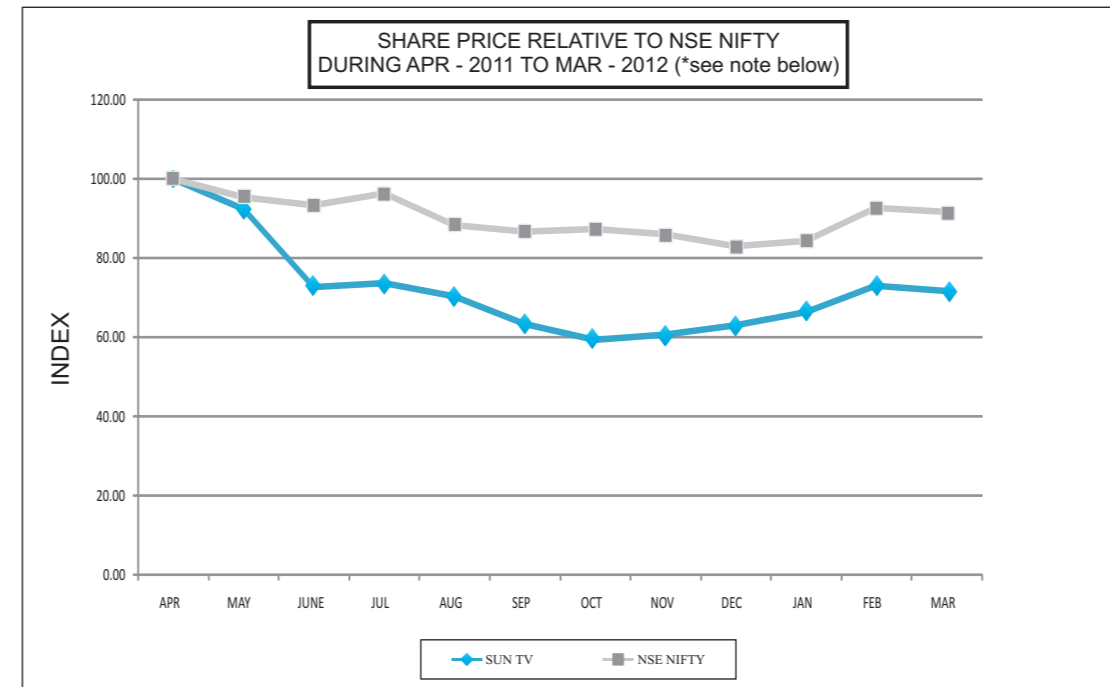
- ♦ **Performance in comparison with BSE SENSEX**



* The closing value for April is taken as 100. The values, for the months, from April' 11 to Mar' 12, are worked out as a percentage, keeping the Base Value for Apr' 11 as 100.

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

• **Performance in comparison with NSE NIFTY**



* The closing value for April is taken as 100. The values, for the months, from April' 11 to Mar' 12, are worked out as a percentage, keeping the Base Value for Apr' 11 as 100.

Shareholding pattern/ Distribution

- Shareholding pattern as on 31.03.2012

Category	% to total Capital
Promoter Group	77.00
Financial Institutions / Bank	0.01
Non Residents (NRI / OCB / FIIS)	14.40
Mutual Funds	2.81
Others	5.78
Total	100.00

- ♦ **Distribution of Shareholding as on 31.03.2012**

Category	No. of Holders	% to total	No. of Shares	% to total
1-10000	32371	98.50	21,91,882	0.55
Above 10000	494	1.50	39,18,92,738	99.45
Total	32865	100.00	39,40,84,620	100.00



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

Summary of Shareholding

Category	No. of Holders	Total Shares	% to Equity
Physical	91	607	0.000154
NSDL	24643	392358564	99.562009
CDSL	7918	1725449	0.437837
Total	32652	394084620	100.00

♦ **Dematerialization of Shares**

- ♦ 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 dematerialization form.
- ♦ 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.
- ♦ As on 31st March 2012, 394,084,013 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.

♦ **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**

♦ **Company Secretary and Compliance Officer**

Mr.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

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

♦ **Registrars and Share Transfer Agents**

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: May 25, 2012

K. Vijaykumar
Managing Director and
Chief Executive Officer

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 2012, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

On behalf of the Board

Place: Chennai
Date: May 25, 2012

K. Vijaykumar
Managing Director and
Chief Executive Officer

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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, 2012, 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.

S.R. BATLIBOI & ASSOCIATES
Firm Registration number: 101049W
Chartered Accountants

per S Balasubrahmanyam
Partner
Membership No.: 053315

Chennai
May 25, 2012

AUDITORS' REPORT

To
The Members of Sun TV Network Limited

1. We have audited the attached Balance Sheet of Sun TV Network Limited ('the Company') as at March 31, 2012 and also the Statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. 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;
 - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



AUDITORS' REPORT

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm registration number: 101049W

per S Balasubrahmanyam

Partner

Membership No.: 053315

Chennai

May 25, 2012

Annexure to Auditors Report

Annexure referred to in paragraph 3 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) (a) The Company has granted unsecured loans to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 30.6 million and the year-end balance of loans granted to such company was Rs. Nil.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan were not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are re-payable on demand. Such loans were repaid on demand during the current year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of Interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of Order are not applicable to the Company and hence not commented upon.

Annexure to Auditors Report (Continued)

- (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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, related to services of the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to sales 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, 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. The provisions relating to sales tax are applicable to the Company.

Annexure to Auditors Report (Continued)

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

Name of the statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	206.0	FY 2003 – 04	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	186.6	FY 2004 – 05	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	22.4	FY 2007 – 08	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	276.6	FY 2008 – 09	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Differential customs duty	5.0	FY 2007 – 08	Customs, Excise and Service Tax Appellate Tribunal

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

- (x) 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.
- (xi) 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 financial institution or bank. The Company did not have any outstanding debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) 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.



Annexure to Auditors Report (Continued)

- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- (xxi) 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
Chartered Accountants
Firm registration number: 101049W

per S Balasubrahmanyam
Partner
Membership No.: 053315

Chennai
May 25, 2012

Balance Sheet as at March 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Notes	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,970.4	1,970.4
Reserves and surplus	4	24,482.0	21,886.7
		26,452.4	23,857.1
Non-current liabilities			
Deferred tax liability (net)	5	337.7	409.8
Other long-term liabilities	6	43.8	113.7
Long-term provisions	7	13.5	13.1
		395.0	536.6
Current liabilities			
Trade payables	8.1	295.8	405.2
Other current liabilities	8.2	1,437.2	1,951.8
Short-term provisions	7	350.5	1,721.6
		2,083.5	4,078.6
TOTAL		28,930.9	28,472.3
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	7,705.7	7,940.1
Intangible assets	10	2,924.9	2,908.9
Capital work-in-progress		11.3	78.7
Non-current investments	11	4,623.8	4,683.6
Long-term loans and advances	12	4,777.2	1,421.5
		20,042.9	17,032.8
Current assets			
Current investments	14	151.6	728.1
Inventories	15	3.5	7.5
Trade receivable	13.1	4,649.1	3,880.5
Cash and bank balances	16	2,899.1	5,844.0
Short-term loans and advances	12	504.3	228.5
Other current assets	13.2	680.4	750.9
		8,888.0	11,439.5
TOTAL		28,930.9	28,472.3

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 & ASSOCIATESChartered Accountants
Firm registration number: 101049W**per S Balasubrahmanyam**Partner
Membership No.: 053315Chennai
May 25, 2012**For and on behalf of the board of directors****Kalanithi Maran**
Chairman**K. Vijaykumar**
Managing Director and
Chief Executive Officer**R. Ravi**
Company SecretaryChennai
May 25, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2012	March 31, 2011
Income			
Revenues from operations	17	17,573.7	19,237.1
Other income	18	742.0	467.9
Total revenue (I)		18,315.7	19,705.0
Expenses			
Cost of revenues	19	1,006.5	1,027.1
Employees' benefits expense	20	1,640.6	1,740.1
Other expenses	21	859.1	799.8
Advertisement and marketing expenses	22	60.8	91.2
Total (II)		3,567.0	3,658.2
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		14,748.7	16,046.8
Depreciation and amortization expense	23	4,430.0	4,473.8
Finance costs	24	55.5	19.8
Total (III)		4,485.5	4,493.6
Profit / (loss) before tax (I-II-III)		10,263.2	11,553.2
Tax expenses			
Current tax		3,388.8	3,760.3
Deferred tax		(72.1)	70.7
Total tax expense		3,316.7	3,831.0
Profit / (Loss) after tax		6,946.5	7,722.2
Earnings per share information:			
Net profit attributable to equity shareholders		6,946.5	7,722.2
Weighted average number of equity shares outstanding		394,084,620	394,084,620
Basic and diluted earnings per share (Rs.)		17.63	19.60
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
Chartered Accountants
Firm registration number: 101049W

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
Membership No.: 053315

Kalanithi Maran
Chairman

K. Vijaykumar
Managing Director and
Chief Executive Officer

R. Ravi
Company Secretary

Chennai
May 25, 2012

Chennai
May 25, 2012

CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2012	March 31, 2011
Cash flows from operating activities		
Net profit before taxation	10,263.2	11,553.2
Adjustments for:		
Depreciation of tangible assets	998.7	717.5
Amortization of intangible assets	3,412.3	3,756.3
Impairment of intangible assets	19.0	-
(Profit) / loss on sale of fixed assets	(6.3)	27.5
Translation loss / (gain) on monetary assets and liabilities	14.9	(6.0)
Provision for doubtful debts	18.0	8.8
Provision for doubtful advances and assets	66.6	49.2
Bad debts written off	38.5	113.6
Liabilities / provisions no longer required written back	(10.4)	-
Interest income	(490.1)	(300.5)
Dividend income	(63.2)	(74.7)
Interest expense	51.4	15.0
Operating profit before working capital changes	14,312.6	15,859.9
Movements in working capital:		
(Increase)/Decrease in trade receivables	(842.0)	(997.1)
(Increase)/Decrease in inventories	4.0	(4.2)
(Increase)/Decrease in other current assets	47.6	(298.1)
(Increase)/Decrease in loans and advances	(316.7)	(269.9)
Increase / (Decrease) in trade payables and other liabilities	(941.1)	740.5
Increase / (Decrease) in provisions	350.9	7.3
Cash generated from / (used in) operations	12,615.3	15,038.4
Direct taxes paid (net of refunds)	(3,938.9)	(3,624.7)
Net cash flow from / (used in) operating activities (A)	8,676.4	11,413.7
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances)	(3,124.0)	(1,991.1)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)	(3,994.6)	(2,805.5)
Purchase of current investments	(3,840.0)	(5,405.9)
Redemption of current investments	4,476.3	5,060.6
Proceeds from sale of assets	22.2	1.7
Advance received against sale of subsidiary	35.9	-
Refund of Intercompany deposits	-	3.8
Term deposits placed with banks during the year	(2,457.0)	(4,504.0)
Term deposits refunded from banks during the year	4,997.2	3,419.0
Interest received	513.0	323.9
Dividends received	63.2	74.7
Net cash from / (used in) investing activities (B)	(3,307.8)	(5,822.8)



CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2012	March 31, 2011
Cash flows (used in) / from financing activities		
Loans availed	6,635.0	1,712.3
Loans repaid	(6,635.0)	(1,712.3)
Proposed dividends paid	(1,477.8)	(2,364.5)
Tax on proposed dividends paid	(239.7)	(392.7)
Interim dividends paid	(3,448.3)	(1,970.4)
Tax on interim dividends paid	(559.4)	(327.3)
Interest paid	(51.4)	(15.0)
Net cash (used in) / from financing activities (C)	(5,776.6)	(5,069.9)
Exchange differences on translation of foreign currency cash and cash equivalents	3.3	(4.0)
Net increase / (decrease) in cash and cash equivalents	(404.7)	517.0
Cash and cash equivalents at the beginning of the year	846.8	329.8
Cash and cash equivalents at the end of the year	442.1	846.8

Notes

a) The reconciliation to the cash and bank balances as given in Note 16 is as follows:

Cash and bank balances, per Note 16	2,899.1	5,844.0
Less : Term deposits placed with banks	(2,457.0)	(4,997.2)
Cash and cash equivalents, end of year	442.1	846.8

b) Components of cash and cash equivalents

Cash and cheques on hand	0.3	0.5
With banks - on current account	168.5	845.1
- on deposit account (unrestricted)	271.6	-
- on deposit account (restricted)	-	-
- on unpaid dividend accounts (restricted)*	1.7	1.2

* 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

Chartered Accountants
Firm registration number: 101049W

For and on behalf of the Board of Directors

per S Balasubrahmanyam

Partner
Membership No.: 053315

Chennai
May 25, 2012

Kalanithi Maran

Chairman

Chennai
May 25, 2012

K. Vijaykumar

Managing Director and
Chief Executive Officer

R. Ravi

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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.

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 notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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.

The accompanying financial statements have been stated in millions of Indian rupees and, accordingly, transactions or balances less than Rs 0.1 million are not considered material and hence not disclosed.

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, 2012

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

Depreciation

Depreciation on fixed assets other than aircraft and leasehold improvements is provided on written down value method, pro-rata to the period of use of the assets, at the annual depreciation rates stipulated in Schedule XIV to the Companies Act, 1956 or based on estimated useful lives of the assets, whichever is higher as follows:

	Percent
Buildings	5.00 - 13.91
Plant and machinery	13.91 - 100.00
Computer and related equipment	40.00
Furniture and fittings	13.91
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.

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, 2012 includes cost of program production equipment of Rs. 1,514.4 million (Rs. 1,466.0 million), post production equipment of Rs. 675.0 million (Rs. 674.6 million), reception and distribution facilities of Rs. 1,010.7 million (Rs. 891.1 million), computer and related equipments of Rs. 948.7 million (Rs. 830.6 million), office equipment of Rs. 641.1 million (Rs. 592.6 million) and aircraft of Rs. 2,641.4 million (Rs. 2,641.4 million). The net block of plant and machinery as at March 31, 2012 includes the net block of program production equipment of Rs. 284.3 million (Rs. 299.9 million), post production equipment of Rs. 228.9 million (Rs. 286.2 million), reception and distribution facilities of Rs. 294.2 million (Rs. 227.0 million), computer and related equipments of Rs. 322.5 million (Rs. 378.7 million), office equipment of Rs. 497.9 million (Rs. 536.5 million) and aircraft of Rs. 2,005.3 million (Rs. 2,181.8 million).

d) Intangible assets and amortization

□ 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 and program broadcasting rights are fully expensed on the date of first telecast of the film / program episode, as the case may be.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

□ 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 unrecognized revenue for each movie is reviewed periodically and revised if necessary.

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.

□ 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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

f) Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) 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 or Excise duty if any.

- Advertising income and broadcast fees are recognised when the related commercial or programme is telecast.
- Program licensing 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 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. 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 is recognised as per the terms of contract with mobile service providers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

- Revenues from aircraft charter services are recognised based on services provided and billed as per the terms of the contracts with the customers.
- 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 recognised on time proportion basis.
- Dividend Income is recognised when the right to receive payment is established by the balance sheet 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.

h) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

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.

i) 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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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 income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

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.

j) 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.

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.

k) 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.

l) 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.

m) Foreign currency transactions

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.

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.

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, 2012

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

n) 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.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o) 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.

p) Segment reporting

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

The Company considers geographical segments as its secondary segment. The Company's operations are predominantly within India and, accordingly, this is the only secondary reportable segment.

q) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)***March 31, 2012 March 31, 2011****3. Share capital****Authorised Shares**

450,000,000 equity shares of Rs 5/- each (March 31, 2011 - 450,000,000 of Rs. 5/- each)	2,250.0	2,250.0
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Issued, subscribed and fully paid-up Shares

394,084,620 equity shares of Rs 5/- each (March 31, 2011 - 394,084,620 of Rs. 5/- each)	1,970.4	1,970.4
	1,970.4	1,970.4

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

	March 31, 2012		March 31, 2011	
	Number	Amount	Number	Amount
At the beginning of the period	394,084,620	1,970.4	394,084,620	1,970.4
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	394,084,620	1970.4	394,084,620	1970.4

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, 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 9.50/share (March 31, 2011: Rs. 8.75/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 exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid bonus shares by capitalization of securities premium *	197,042,310	197,042,310
Equity shares allotted as fully paid-up pursuant towards purchase consideration on amalgamation **	29,632,000	29,632,000

* These shares were originally issued at Rs 10 per share in the year 2007-08 and subsequently sub-divided into Rs 5 per share.

** These shares were originally issued at Rs 10 per share as fully paid towards purchase consideration to the shareholders of Udaya TV Private Limited and the erstwhile Gemini TV Private Limited, pursuant to their amalgamation with Sun TV Network Limited. These shares were subsequently sub-divided into 59,264,000 shares of Rs. 5/-each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***d. Details of shareholders holding more than 5% shares in the company**

Equity shares of Rs. 5 each fully paid	March 31, 2012		March 31, 2011	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	303,445,157	77.0%	303,445,157	77.0%

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.

	March 31, 2012	March 31, 2011
4 Reserves and surplus		
Securities premium account	4,718.2	4,718.2
General reserve		
Balance as per the last financial statements	2,743.0	1,970.8
Add: amount transferred from surplus balance in the statement of profit and loss	694.7	772.2
Closing Balance	3,437.7	2,743.0
Surplus in the statement of profit and loss		
Balance as per last financial statements	14,425.5	11,490.7
Profit for the year	6,946.5	7,722.2
Less: Appropriations		
Interim dividend [Rs 8.75/- per share (March 31, 2011: Rs 5.00/- per share)]	(3,448.2)	(1,970.4)
Tax on interim dividend	(559.4)	(327.3)
Proposed final dividend [Rs 0.75 /- per share (March 31, 2011: Rs 3.75/- per share)]	(295.6)	(1,477.8)
Tax on proposed dividend	(48.0)	(239.7)
Transfer to general reserve	(694.7)	(772.2)
Total appropriations	(5,045.9)	(4,787.4)
Net surplus in the statement of profit and loss	16,326.1	14,425.5
Total reserves and surplus	24,482.0	21,886.7
5 Deferred tax Liability (net)		
Tangible Assets and Intangible Assets		
- Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	489.9	472.7
- Rule 9A/9B allowance	22.7	75.2
Gross deferred tax liability	512.6	547.9



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

	March 31, 2012		March 31, 2011	
Deferred tax Asset				
- Provision for doubtful debts		(84.6)		(78.8)
- Provision for doubtful advances and assets		(60.5)		(38.9)
- Sec. 40(a)(ia) disallowances		(16.2)		(7.0)
- Others		(13.6)		(13.4)
Gross deferred tax asset		(174.9)		(138.1)
Net deferred tax liability		337.7		409.8
6 Other long-term liabilities				
Interest free deposits from customers		43.8		113.7
		43.8		113.7
7 Provisions				
		Long-term		Short-term
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits				
Provision for gratuity	13.5	13.1	4.3	4.1
Provision for leave benefits	-	-	2.6	-
	13.5	13.1	6.9	4.1
Other provisions				
Proposed dividend	-	-	295.6	1,477.8
Provision for tax on proposed dividend	-	-	48.0	239.7
	-	-	343.6	1,717.5
	13.5	13.1	350.5	1,721.6

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
8. Other current liabilities		
8.1 Trade payables (refer Note 30 for details of dues to micro and small enterprises)	295.8	405.2
8.2 Other liabilities		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	1.7	1.2
Deferred revenues	75.7	74.8
Interest free deposits from customers	44.2	22.6
Advances from customers	78.4	115.6
Advance received for sale of subsidiary	35.9	-
Dues payable in respect of fixed assets	97.1	233.6
Directors' Remuneration Payable	923.0	1,070.8
Salaries, wages and other employee benefits payable	29.2	8.9
Retention Money Payable	13.9	83.4
Statutory Dues	138.1	340.9
	1,437.2	1,951.8
	1,733.0	2,357.0

Note 9 on Tangible Assets and Note 10 on Intangible Assets are set out in the subsequent pages.

11 Non-current investments**Long Term Investments (At cost) - Trade Equity instruments (Unquoted)**

-In Subsidiary Companies :		
121,305,000 (March 31, 2011 - 121,305,000) fully paid equity shares of Rs 10/- each in Kal Radio Limited	1,213.1	1,213.1
148,092,000 (March 31, 2011 - 148,092,000) fully paid equity shares of Rs 10/- each in South Asia FM Limited	1,480.9	1,480.9
Nil (March 31, 2011 - 750,000) fully paid equity shares of £ 1/- each in Sun TV Network Europe Limited*	-	59.8

Preference shares (Unquoted)

-In Subsidiary Companies :		
140,100,410 (March 31, 2011 - 140,100,410) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in South Asia FM Limited	1,401.0	1,401.0
52,880,000 (March 31, 2011 - 52,880,000) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in Kal Radio Limited	528.8	528.8

Total	4,623.8	4,683.6
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Total Unquoted Non current Investments	4,623.8	4,683.6
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* Also refer Note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

9 Tangible assets

	Freehold Land	Buildings	Plant and machinery	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	March 31, 2012	March 31, 2011
<i>Gross block</i>								
Balance, April 1, 2011	877.4	2,410.1	7,096.3	608.1	207.7	228.6	11,428.2	8,013.6
Additions	-	219.7	335.0	199.5	11.5	14.5	780.2	3,614.4
Disposals	-	-	-	-	-	(49.8)	(49.8)	(199.8)
Balance - March 31, 2012	877.4	2,629.8	7,431.3	807.6	219.2	193.3	12,158.6	11,428.2
<i>Accumulated Depreciation</i>								
Balance, April 1, 2011	-	65.5	3,186.2	52.0	51.8	132.6	3,488.1	2,941.2
Charge for the period	-	208.3	612.0	119.5	32.2	26.7	998.7	717.5
Adjustment for disposals	-	-	-	-	-	(33.9)	(33.9)	(170.6)
Balance - March 31, 2012	-	273.8	3,798.2	171.5	84.0	125.4	4,452.9	3,488.1
<i>Net block</i>								
As at March 31, 2012	877.4	2,356.0	3,633.1	636.1	135.2	67.9	7,705.7	7,940.1
As at March 31, 2011	877.4	2,344.6	3,910.1	556.1	155.9	96.0	7,940.1	

* 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, 2012 are Rs 53.0 million and Rs 4.1 million respectively (March 31, 2011 - Rs 87.3 million and Rs 22.5 million respectively).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

10 Intangible assets	Film and Program Broadcasting Rights	Film Production Costs Distribution and Related Rights	Computer Software	Licenses	Goodwill	March 31, 2012	March 31, 2011
<i>Gross block</i>							
Balance, April 1, 2011	9,134.5	3,172.5	89.3	155.4	196.3	12,748.0	8,818.7
Additions	2,925.0	511.8	10.5	-	-	3,447.3	3,964.8
Disposals	(62.9)	-	-	-	-	(62.9)	(35.5)
Balance - March 31, 2012	11,996.6	3,684.3	99.8	155.4	196.3	16,132.4	12,748.0
<i>Accumulated Amortization</i>							
Balance, April 1, 2011	6,729.2	2,750.0	75.4	88.2	196.3	9,839.1	6,118.3
Charge for the period	2,519.0	864.3	12.2	16.8	-	3,412.3	3,756.3
Adjustment for disposals	(62.9)	-	-	-	-	(62.9)	(35.5)
Balance - March 31, 2012	9,185.3	3,614.3	87.6	105.0	196.3	13,188.5	9,839.1
<i>Impairment Loss</i>							
Balance, April 1, 2011	-	-	-	-	-	-	-
Charge for the period	19.0	-	-	-	-	19.0	-
Disposals	-	-	-	-	-	-	-
Balance - March 31, 2012	19.0	-	-	-	-	19.0	-
<i>Net block</i>							
As at March 31, 2012	2,792.3	70.0	12.2	50.4	-	2,924.9	2,908.9
As at March 31, 2011	2,405.3	422.5	13.9	67.2	-	2,908.9	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

12. Loans and advances (Unsecured)

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital advances				
Considered good	3,765.6	943.6	-	-
Considered doubtful	94.2	94.2	-	-
	<u>3,859.8</u>	<u>1,037.8</u>	<u>-</u>	<u>-</u>
Provision for doubtful capital advances	(94.2)	(94.2)	-	-
(A)	3,765.6	943.6	-	-
Security deposit (Considered good)				
Rental and other deposits	42.0	31.8	-	0.5
Deposits with Government agencies	16.6	14.2	-	-
(B)	58.6	46.0	-	0.5
Loan and advances to related parties				
- Considered good	-	-	62.6	89.7
(C)	-	-	62.6	89.7
Advances recoverable in cash or kind				
Considered good	-	-	87.3	41.6
Considered doubtful	-	-	70.2	25.7
	<u>-</u>	<u>-</u>	<u>157.5</u>	<u>67.3</u>
Provision for doubtful advances	-	-	(70.2)	(25.7)
(D)	-	-	87.3	41.6
Other loans and advances				
Advance income-tax (net of provision for taxation)	935.1	410.7	-	-
Prepaid expenses	17.9	21.2	317.3	39.7
Balances with statutory/ government authorities				
- Considered good	-	-	37.1	57.0
- Considered doubtful	-	-	22.1	-
	<u>953.0</u>	<u>431.9</u>	<u>376.5</u>	<u>96.7</u>
Provision for doubtful balances with statutory and government authorities	-	-	(22.1)	-
(E)	953.0	431.9	354.4	96.7
Total (A+ B + C + D + E)	4,777.2	1,421.5	504.3	228.5

Loans and advances due by directors or other officers, etc.

Loans and advances to related parties include

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

- Kal Publications Private Limited	-	-	7.5	7.1
- Sun Direct TV Private Limited	-	-	4.8	4.8
- Kal Comm Private Limited	-	-	5.2	5.2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***13 Trade receivables and other assets****13.1 Trade receivables (Unsecured)**

	Current	
	March 31, 2012	March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	103.6	130.6
- Considered doubtful	260.9	242.9
	364.5	373.5
Provision for doubtful receivables	(260.9)	(242.9)
(A)	103.6	130.6
Other trade receivables		
Unsecured, considered good	4,545.5	3,749.9
	4,545.5	3,749.9
(B)	4,545.5	3,749.9
Total (A + B)	4,649.1	3,880.5

Trade receivables include:

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

Kal Comm Private Limited	-	78.5
Sun Direct TV Private Limited	1,003.9	515.3
Kal Publications Private Limited	32.0	0.5
Sun 18 Media Services South Private Limited	228.8	217.3
Kungumam Publications Private Limited	4.0	-
Udaya FM Private Limited	0.2	-
Sun Business solutions Private Limited	0.5	-

13.2 Other assets**Unsecured, considered good unless stated otherwise**

Interest accrued		
- on fixed deposits	0.8	18.5
- on inter-corporate deposits / loans to subsidiaries	287.2	292.4
Unbilled Revenues	392.4	440.0
Total	680.4	750.9



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

	March 31, 2012	March 31, 2011
14 Current investments		
Current investments		
(valued at lower of cost and fair value, unless stated otherwise)		
Quoted equity instruments		
-469,638 fully paid equity shares of Re 1/- each (March 31, 2011 - 469,638 fully paid equity shares of Re 1/- each) in City Union Bank Limited	1.4	1.4
Unquoted Mutual Funds		
-Templeton India Low Duration Fund-Monthly Dividend Reinvestment - 3,894,297.423 units (March 31, 2011 - Nil units)	40.4	-
-Reliance Fixed Horizon Fund-XXI-Series 5-Growth Option- 5,000,000 units (March 31,2011 - Nil units)	50.0	-
-ICICI Prudential Institutional Daily Dividend - Nil units (March 31, 2011 - 25,481,128.313 units) Face Value: Rs. 10 per unit	-	255.0
-Kotak Quarterly Interval Plan (Series 1 Dividend) - Nil units (March 31, 2011 - 8,070,623.933 units) Face Value Rs. 10 per unit	-	80.7
-Pramerica Ultra Short Term Bond Fund (Daily Dividend Option) - Nil units (March 31, 2011 - 80,228.271 units) Face Value Rs. 1,000 per unit	-	80.2
-DWS Money Plus Fund (Institutional Daily Dividend) - Nil units (March 31, 2011 - 22,883,972.978 units) Face Value Rs. 10 per unit	-	230.6
-TATA Treasury Manager Ship (Daily Dividend) - Nil units (March 31, 2011 - 39,675.12 units) Face Value Rs. 1,000 per unit	-	40.1
-Canara Robeco Treasury Advantage Fund (Daily Dividend) - Nil units (March 31, 2011 - 3,230,241.25 units) Face Value - Rs. 10 per unit	-	40.1
Unquoted Equity instruments		
Current portion of long term investment (Cost)		
-In Subsidiary Companies :		
750,000 fully paid equity shares of £ 1/- each in Sun TV Network Europe Limited*	59.8	-
Total Current Investments	151.6	728.1
Total Value of Quoted Current investments	1.4	1.4
Market Value of Quoted Investments	22.7	20.9
Total Value of Unquoted Current investments	150.2	726.7

*The investments in Sun TV Network Europe Limited has been disclosed as current portion of long term investments above, in view of the management decision to reorganize / dispose / restructure the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

15 Inventories (valued at lower of cost and net realizable value)		
	March 31, 2012	March 31, 2011
Consumables and media	3.5	7.5
Total	3.5	7.5
16 Cash and bank balances		
	Current	
	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Balances with banks:		
On current accounts	168.5	845.1
Deposits with original maturity of less than three months	271.6	-
On unpaid dividend account	1.7	1.2
Cheques on hand	0.1	0.3
Cash on hand	0.2	0.2
	442.1	846.8
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	2,457.0	4,997.2
	2,457.0	4,997.2
	2,899.1	5,844.0
17 Revenue from operations		
	March 31, 2012	March 31, 2011
Revenues from services		
Advertising income	9,454.2	9,702.0
Broadcast fees	1,639.6	1,537.4
Program licensing income	843.0	690.0
Subscription income	4,956.3	5,022.6
Income from movie distribution	596.7	2,213.2
Income from content trading	25.0	14.5
Aircraft charter services	58.9	57.4
	17,573.7	19,237.1

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
18 Other income		
Interest income		
- on bank deposits	441.7	295.2
- on loans to subsidiaries	2.5	5.3
- on others	45.9	-
Dividend income on current investments	63.2	74.7
Profit on sale of assets (net)	6.3	-
Gain on foreign exchange fluctuation (net)	72.7	-
Export incentives	54.7	66.9
Liabilities / provisions not required written back	10.4	-
Other non-operating income	44.6	25.8
	742.0	467.9
19 Cost of Revenues		
Telecast costs	175.5	144.2
Program production expenses	307.1	381.4
Cost of program rights	188.9	118.1
Consumables and media expensed	21.9	15.7
Pay channel service charges	244.5	300.7
Licenses	27.0	33.8
Others	41.6	33.2
	1,006.5	1,027.1
20 Employees' benefits expense		
Salaries, wages and bonus	410.4	376.1
Gratuity expense (Refer Note 34)	10.9	14.3
Contributions to provident fund and other funds	52.4	37.9
Staff welfare expense	26.7	23.8
Directors' remuneration		
- Salary	217.2	217.2
- Ex-gratia / Bonus	923.0	1,070.8
	1,640.6	1,740.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
21 Other expenses		
Legal and professional fees (Refer details below for payments made to auditors)	86.6	92.3
Travel and conveyance	56.3	52.4
Rent	79.4	70.9
Electricity expense	80.3	67.3
Power and fuel	58.1	51.3
Repairs and maintenance		
- Building	6.8	9.6
- Plant and machinery	59.4	48.8
- Others	67.6	57.2
Communication	65.5	34.3
Utilities	61.5	40.5
Insurance	10.7	12.4
Bad debts written off	38.5	113.6
Provision for doubtful debts	18.0	8.8
Provision for doubtful advances and assets	66.6	49.2
Donations	32.2	7.8
Loss on foreign exchange fluctuation (net)	-	4.3
Loss on sale of assets (net) /assets scrapped	-	27.5
Rates and taxes	16.6	25.8
Miscellaneous expenses	55.0	25.8
	859.1	799.8
Payment to auditor		
As auditor:		
Audit fee	3.1	3.1
Limited review	1.8	1.8
Service Tax	0.5	0.5
In other capacity:		
Other services (certification fees)	0.1	0.1
Reimbursement of expenses	0.1	0.1
	5.6	5.6
22 Advertisement and marketing expenses		
Advertisement and marketing expenses	60.8	91.2
	60.8	91.2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

	March 31, 2012	March 31, 2011
23 Depreciation and amortization expense		
Depreciation of tangible assets	998.7	717.5
Amortization of intangible assets	3,412.3	3,756.3
Impairment of intangible assets	19.0	-
	4,430.0	4,473.8
24 Finance costs		
Interest		
- on loans against deposits	44.4	2.3
- others	7.0	12.7
Bank charges	4.1	4.8
	55.5	19.8

25. Capital and other commitments

a) Capital Commitments (net of advances)

	March 31, 2012	March 31, 2011
Outstanding commitments on capital contracts	322.1	85.4
Commitments for acquisition of film and program broadcasting rights	1,485.1	1,209.7
Total	1,807.2	1,295.1

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 eight times the duty saved to be fulfilled within a period of eight years from date of import of the capital goods.

Accordingly, the Company currently has an export obligation aggregating to Rs.2,251.2 million (March 31, 2011 Rs.2,028.8 million).

c) License Fee to Ministry of Information and Broadcasting ('MIB')

The Company has obtained licenses to carry on FM radio operations in Chennai, Coimbatore and Tirunelveli. The Company is required to pay license fee at 4% on the Gross revenues earned during the financial year from these FM operations or 10% of the Reserve OTEF ('One Time Entry Fee') for the respective city, whichever is higher 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, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***26. Contingent liabilities**

	March 31, 2012	March 31, 2011
Income Tax*	1,488.6	719.4
Customs Duty**	5.0	5.0
Total	1,493.6	724.4

* The Company received demands of income tax in respect of earlier years, disallowing the manner of allowance claimed by the Company for certain expenses. The Company has gone on appeal against the said demands, and based on judicial pronouncements and other arguments, management believes that the Company's claim is likely to be accepted by Appellate authorities. Further, management believes that any disallowance of such expenses would result in deductible timing differences.

** The Company has received demand for differential customs duty 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.

27. Value of imports calculated on CIF basis

	March 31, 2012	March 31, 2011
Capital goods	357.0	1,028.2
Others	1.6	2.5
Total	358.6	1,030.7

28. Expenditure in foreign currency (on accrual basis)

	March 31, 2012	March 31, 2011
Travelling and related expenses	37.2	18.9
Expenses towards movie production	-	13.8
Acquisition of film and program broadcasting rights	109.8	87.0
Satellite Hire Charges	40.9	-
Others	77.0	39.4
Total	264.9	159.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

29. Earnings in foreign exchange (on accrual basis)

	March 31, 2012	March 31, 2011
Program licensing income	843.0	690.0
Advertisement income	8.7	-
Total	851.7	690.0

30. Dues to Micro and Small Enterprises

There is no overdue amount payable to Micro, Small and Medium 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.

31. 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:

Particulars	Foreign Currency	March 31, 2012		March 31, 2011	
		Amount in Foreign Currency (in millions)	Amount in Indian Rupees	Amount in Foreign Currency (in millions)	Amount in Indian Rupees
Sundry Debtors	USD	2.5	126.4	1.3	58.3
Sundry Debtors	GBP	-	-	0.4	25.2
Sundry Debtors	CAD	0.1	1.9	0.1	5.4
Sundry Debtors	AUD	0.1	3.1	-	-
Security deposits from customers	AUD	0.1	2.7	0.1	2.3
Security deposits from customers	USD	0.3	16.4	0.2	10.3
Security deposits paid	USD	0.2	9.2	-	-
Investments	GBP	0.8	59.8	0.8	59.8
Advance received towards sale of subsidiary	GBP	0.5	35.9	-	-
Loans and Advances	GBP	-	-	0.4	29.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***32. 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Trade Receivables				
Kal Radio Limited	1.5	-	1.5	1.6
South Asia FM Limited	1.1	-	1.1	-
Sun TV Network Europe Limited	-	45.9	-	45.9
Loans and advances				
Kal Radio Limited	5.3	9.6	9.6	11.7
South Asia FM Limited	39.8	34.2	39.8	34.2
Inter - corporate deposits and Loans				
Kal Radio Limited	-	-	-	3.8
Sun TV Network Europe Limited	-	28.8	30.6	28.8
Interest Accrued				
Kal Radio Limited	116.8	116.8	116.8	116.8
South Asia FM Limited	170.4	170.4	170.4	210.4
Sun TV Network Europe Limited	-	5.2	6.9	5.2

33. LeasesOperating leases (As a Lessee)

The Company has taken a KU band satellite transponder and office premises on operating lease. There are no escalation clauses in the lease agreements. Further, there are no restrictions imposed by the lease arrangements and there are no subleases.

Particulars	March 31, 2012	March 31, 2011
Lease payments recognised in the statement of profit and loss for the year	164.5	159.7
Minimum Lease Payments		
Not later than one year	220.8	91.3
Later than 1 year but not later than 5 years	342.8	148.8
Later than 5 years	-	-

Operating leases (As a lessor)

The Company has leased out its office buildings. These non cancellable leases have remaining terms of between 1 and 3 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

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

Particulars	March 31, 2012	March 31, 2011
Lease payments recognised in the statement of profit and loss for the year	22.6	-
Minimum Lease Payments		
Not later than one year	26.9	-
Later than 1 year but not later than 5 years	20.2	-
Later than 5 years	-	-

34. 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 & Loss

	March 31, 2012	March 31, 2011
Current service cost on Benefit Obligations	8.2	13.1
Past service cost on Benefit Obligations	-	-
Interest cost on Benefit Obligations	4.0	3.0
Expected return on plan assets	(3.5)	(2.9)
Net actuarial (gains) / losses recognised in the year	2.2	1.1
Net Benefit Expense	10.9	14.3
Actual return on plan assets	3.2	2.6

Balance Sheet

Details of provision for gratuity

	March 31, 2012	March 31, 2011
Defined benefit obligation	62.4	52.5
Fair value of plan assets	(44.6)	(35.3)
Plan Liability / (Asset)	17.8	17.2
Experience adjustments on plan liabilities	1.8	0.7
Experience adjustments on plan Asset	(0.4)	0.4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

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

	March 31, 2012	March 31, 2011
Opening defined benefit obligation	52.5	39.1
Current service cost	8.2	13.1
Past service cost	-	-
Interest cost	4.0	3.0
Actuarial (gains) / losses on obligation	1.8	0.7
Benefits paid	(4.1)	(3.4)
Closing defined benefit obligation	62.4	52.5

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

	March 31, 2012	March 31, 2011
Opening fair value of plan assets	35.3	29.2
Expected return	3.5	2.9
Actuarial gains / (losses)	(0.4)	(0.4)
Contributions by employer	10.3	7.0
Benefits paid	(4.1)	(3.4)
Closing fair value of plan assets	44.6	35.3

The experience adjustments on plan liabilities and assets, and net surplus / deficit for the years ended March 31, 2010, March 31, 2009 and March 31, 2008 are as follows:.

	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at the end of the period	39.1	25.6	26.0
Fair value of plan assets	(29.2)	(19.4)	(11.4)
Net deficit	9.9	6.2	14.6
Experience adjustments on plan liabilities	1.8	(3.8)	4.9
Experience adjustments on plan assets	(0.5)	(0.5)	0.4

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

	March 31, 2012	March 31, 2011
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.25%	9.25%
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. The Company does not currently have any estimates of the contribution to be paid to the plan during the next year. Accordingly, the same has not been disclosed.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

35. Related party disclosures (to the extent not disclosed elsewhere in these financial statements)

1. Controlling Party	
Mr. Kalanithi Maran	
2. Enterprises in which Key Management personnel or their relatives have significant influence	
Kal Publications Private Limited	Sun Foundation
Spicejet Limited	Murasoli Maran Family Trust
Udaya FM Private Limited	S & S Textiles
Sun Direct TV Private Limited	D.K. Enterprises Private Limited
Kungumam Publications Private Limited	Kungumam Nithyagam Private Limited
Sun 18 Media Services South Private Limited	Kal Investments (Madras) Private Limited
Kal Comm Private Limited	Kal Media Services Private Limited
Kal Airways Private Limited	Kal Cables Private Limited
Kal Holdings Private Limited	Sun Business Solutions Private Limited
3. Subsidiary Companies	
South Asia FM Limited	
Kal Radio Limited	
Sun TV Network Europe 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 (Chairman and Managing Director till April 19, 2012)	
Mrs. Kavery Kalanithi – Executive Director (Joint Managing Director till April 19, 2012)	
Mr. K Vijaykumar – Managing Director and Chief Executive Officer (Chief Operating Officer till April 19, 2012)	
6. Relatives of Key Management personnel	
Mrs. Mallika Maran	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions 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 Companies		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Income :						
Subscription Income						
Kal Comm Private Limited	-	879.0	-	-	-	-
Sun Direct TV Private Limited	1,830.3	1,590.9	-	-	-	-
Sun 18 Media Services South Private Limited	1,630.1	1,262.8	-	-	-	-
Advertising Income						
Sun Direct TV Private Limited	96.7	263.9	-	-	-	-
SpiceJet Limited	12.2	-	-	-	-	-
Others	12.7	-	-	-	-	-
Program licensing income						
Sun TV Network Europe Limited	-	-	17.3	67.1	-	-
Aircraft charter services						
SpiceJet Limited	14.7	-	-	-	-	-
Kal Publications Private Limited	22.2	14.5	-	-	-	-
Sun Direct TV Private Limited	1.0	41.3	-	-	-	-
South Asia FM Limited	-	-	1.0	-	-	-
Kal Radio Limited	-	-	13.6	-	-	-
Others	6.3	1.6	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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 Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Interest earned								
Kal Comm Private Limited	30.2	-	-	-	-	-	-	-
Kal Publications Private Limited	15.7	-	-	-	-	-	-	-
Sun TV Network Europe Limited	-	-	2.5	3.4	-	-	-	-
Rental and Business Support Income								
Kal Radio Limited	-	-	2.5	0.6	-	-	-	-
South Asia FM Limited	-	-	1.9	-	-	-	-	-
Sun Direct TV Private Limited	14.8	-	-	-	-	-	-	-
Kal Publications Private Limited	12.1	0.2	-	-	-	-	-	-
Others	8.8	0.1	-	-	-	-	-	-
Movie Content Income								
Sun Direct TV Private Limited	18.2	-	-	-	-	-	-	-
Program Production expenses								
Kal Publications Private Limited	43.8	43.8	-	-	-	-	-	-
Others	1.8	1.2	-	-	-	-	-	-
Legal and professional fees								
Professional fees								
Mrs. Malika Maran	-	-	-	-	-	-	0.2	0.2
Pay channel service charges								
Kal Comm Private Limited	-	112.5	-	-	-	-	-	-
Sun18 Media Services South Private Limited	244.5	188.2	-	-	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions 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 Companies		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Rent Expense Kal Publications Private Limited	17.6	1.9	-	-	-	-
Donations Sun Foundation	22.0	7.8	-	-	-	-
Advertisement expenses Kal Publications Private Limited Kal Radio Limited	3.8	14.3	-	-	-	-
Remuneration paid (including ex-gratia) Salary - Mr.Kalanithi Maran Salary - Mrs.Kavery Kalanithi Ex-gratia/Bonus- Mr.Kalanithi Maran Ex-gratia/Bonus- Mrs.Kavery Kalanithi	-	-	-	40.0	108.6	108.6
Dividends Paid Mr.Kalanithi Maran	-	-	-	-	108.6	108.6
Reimbursement of Cost of shared services (Net) Kal Publications Private Limited South Asia FM Limited	(0.2)	(1.4)	-	-	461.5	535.4
					461.5	535.4
					3,793.1	2,655.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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 Companies		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Sale of assets Kal Publications Private Limited	0.1	-	-	-	-	-
Expenditure on intangible assets under development D.K Enterprises Private Limited	-	1.0	-	-	-	-
Travelling Expenses SpiceJet Limited	1.1	-	-	-	-	-
Channel Placement Fees Sun Direct TV Private Limited	10.4	-	-	-	-	-
Investments Made South Asia FM Limited	-	-	-	84.0	-	-
Loans repaid to the Company Sun TV Network Europe Limited	-	-	28.8	-	-	-
Balances Outstanding:						
Accounts Receivable Sun Direct TV Private Limited	1,003.9	515.3	-	-	-	-
Sun18 Media Services South Private Limited	228.8	217.3	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions 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 Companies		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Kal Comm Private Limited	-	78.5	-	-	-	-
Kal Radio Limited	-	-	1.5	-	-	-
South Asia FM Limited	-	-	1.1	-	-	-
Sun TV Network Europe Limited	-	-	-	45.9	-	-
Others	49.8	1.2	-	-	-	-
Loans and Advances						
South Asia FM Limited	-	-	39.8	34.2	-	-
Sun TV Network Europe Limited	-	-	-	28.8	-	-
Kal Publications Private Limited	7.5	7.1	-	-	-	-
Kal Comm Private Limited	5.2	5.2	-	-	-	-
Kal Radio Limited	-	-	5.3	9.6	-	-
Sun Direct TV Private Limited	4.8	4.8	-	-	-	-
Interest accrued on Inter corporate deposits						
Kal Radio Limited	-	-	116.8	116.8	-	-
South Asia FM Limited	-	-	170.4	170.4	-	-
Prepaid Expenses						
Sun Direct TV Private Limited	239.6	-	-	-	-	-
Interest Receivable						
Sun TV Network Europe Limited	-	-	-	5.2	-	-
Rental and other deposits						
Kal Publications Private Limited	0.6	0.6	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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 Companies		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Security Deposit and Other Current Liabilities						
<i>Kal Radio Limited</i>	-	-	0.2	0.2	-	-
<i>Kal Publications Private Limited</i>	0.1	-	-	-	-	-
Accounts Payable						
<i>Kal Comm Private Limited</i>	4.7	21.4	-	-	-	-
<i>South Asia FM Limited</i>	-	-	0.1	-	-	-
<i>Kal Publications Private Limited</i>	10.8	6.6	-	-	-	-
<i>Sun18 Media Services South Private Limited</i>	30.9	56.6	-	-	-	-
<i>Others</i>	5.8	5.7	-	-	-	-
Deposits Payable						
<i>Kal Comm Private Limited</i>	-	19.5	-	-	-	-
Ex-gratia / Bonus Payable						
<i>Mr. Kalanithi Maran</i>	-	-	-	-	461.5	535.4
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	461.5	535.4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***36. Utilisation of IPO proceeds**

The utilisation of the total IPO proceeds of Rs. 6,027.9 million as at March 31, 2012 is as under:

S.No	Purpose	Uses of Funds as projected in the prospectus	Actual use of funds as at March 31, 2012	Actual use of funds as at March 31, 2011
1	Capitalisation of the subsidiaries	3,557.7	3,557.7	3,557.7
2	Launch of New TV channels and Purchase of new equipment and up-gradation of existing equipment	1,449.5	1,224.2	1,066.1
3	Construction of an owned corporate office, studio facilities and additional uplinking infrastructure	623.4	623.4	623.4
4	General corporate purposes	88.8	-	-
5	Share issue expenses	308.5	278.1	278.1
	Total	6,027.9	5,683.4	5,525.3

37. Prior year comparatives

Till the previous year, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. The current year's financial statements have been prepared and presented in accordance with the requirements of the revised Schedule VI, as notified under the Companies Act, 1956 and applicable to the Company. The Company has also reclassified previous year figures in accordance with these requirements.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES

Chartered Accountants
Firm registration number: 101049W

per S Balasubrahmanyam

Partner
Membership No.: 053315

Chennai
May 25, 2012

For and on behalf of the Board of Directors

Kalanithi Maran
Chairman

R Ravi
Company Secretary

Chennai
May 25, 2012

K. Vijaykumar
Managing Director and
Chief Executive Officer



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1 Name of the Company	KAL RADIO LIMITED	SOUTH ASIA FM LIMITED	SUN TV NETWORK EUROPE LIMITED*
2 No. of Equity Shares held by the company	121,305,000	148,092,000	750,000
3 Extent of holding	97.78%	59.15%	100%
4 Financial Year of the Subsidiary ended on	March 31, 2012	March 31, 2012	March 31, 2012
5 The net aggregate amount of Profits/(Losses) of the subsidiary as far as it concerns the Holding Company.	<u>Rs. In Millions</u>	<u>Rs. In Millions</u>	<u>Rs. In Millions</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 31-3-2012.	Nil	Nil	Nil
(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	Nil	Nil	Nil
2. Not dealt with in the account of Sun TV Network Ltd.			
(a) For the subsidiaries' financial year ended on 31-3-2012.	13.69	(79.09)	(3.45)
(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	(603.31)	(1,077.89)	(109.25)

Notes:

*Exchange rate used for Balance sheet is 1 GBP = INR 68.34 (closing) & for Income Statement is 1 GBP = INR 66.75 (average).

AUDITORS' REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

**The Board of Directors
Sun TV Network Limited**

1. We have audited the attached consolidated balance sheet of Sun TV Network Limited, its subsidiaries and associates (together referred to as 'the Group' as described in Note 1 to the consolidated financial statements), as at March 31, 2012, and also the consolidated statement profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 4,579.4 million as at March 31, 2012, total revenue of Rs. 929.9 million and cash flows amounting to Rs. (10.8) million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We did not audit the financial statements of the associates, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The attached consolidated financial statements include share of Rs. 78.6 million representing the group's share of profits of these associates for the year ended March 31, 2012.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated statement of profit and loss account, of the profit for the year ended on that date; and



AUDITORS' REPORT ON CONSOLIDATED FINANCIALS STATEMENTS (Continued)

(c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm registration number: 101049W

per S Balasubrahmanyam

Partner

Membership No.: 053315

Chennai

May 25, 2012

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Consolidated Balance Sheet as at March 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,970.4	1,970.4
Reserves and surplus	4	23,149.2	20,566.4
		25,119.6	22,536.8
Minority Interest		293.2	315.4
Preference shares in subsidiary held by minority shareholders		934.0	934.0
Non-current liabilities			
Deferred tax liability (net)	5	337.8	409.9
Other long-term liabilities	6	91.9	115.5
Long-term provisions	7	13.1	13.1
		442.8	538.5
Current liabilities			
Short-term borrowings	8	-	1.4
Trade payables	9.1	446.3	578.2
Other current liabilities	9.2	1,478.1	2,034.6
Short-term provisions	7	350.5	1,721.6
		2,274.9	4,335.8
TOTAL		29,064.5	28,660.5
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	8,111.8	8,446.3
Intangible assets	11	4,346.4	4,513.1
Capital work-in-progress		35.3	112.8
Non-current investments	12	1,926.0	1,847.6
Long-term loans and advances	13	4,941.6	1,569.6
		19,361.1	16,489.4
Current assets			
Current investments	15	318.1	869.1
Inventories	16	5.1	14.1
Trade receivables	14.1	5,090.3	4,291.3
Cash and bank balances	17	3,075.1	6,030.2
Short-term loans and advances	13	818.3	507.9
Other current assets	14.2	396.5	458.5
		9,703.4	12,171.1
TOTAL		29,064.5	28,660.5



Consolidated Balance Sheet as at March 31, 2012
(All amounts are in millions 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

Chartered Accountants

Firm registration number: 101049W

per S Balasubrahmanyam

Partner

Membership No.: 053315

Chennai

May 25, 2012

For and on behalf of the board of directors

Kalanithi Maran

Chairman

R. Ravi

Company Secretary

Chennai

May 25, 2012

K. Vijaykumar

Managing Director and

Chief Executive Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2012
(All amounts are in millions of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2012	March 31, 2011
Income			
Revenues from operations	18	18,471.7	20,134.6
Other income	19	795.5	487.0
Total revenue (I)		19,267.2	20,621.6
Expenses			
Cost of revenues	20	1,328.7	1,355.2
Employee benefits expense	21	1,859.2	1,919.2
Other expenses	22	1,061.4	1,004.3
Advertisement and marketing expenses	23	74.3	59.1
Decrease / (Increase) in Inventories		4.6	18.2
Total (II)		4,328.2	4,356.0
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		14,939.0	16,265.6
Depreciation and amortization expense	24	4,735.8	4,804.6
Finance costs	25	58.2	22.5
Total (III)		4,794.0	4,827.1
Profit / (loss) before tax and minority interest (I-II-III)		10,145.0	11,438.5
Tax expenses			
Current tax		3,388.8	3,760.3
Deferred tax		(72.1)	70.7
Total tax expense		3,316.7	3,831.0
Share in profits from Associates		78.6	34.9
Profit after taxes and before minority interest		6,906.9	7,642.4
Minority Interest		22.2	55.2
Profit / (Loss) after tax		6,929.1	7,697.6
Earnings per share information:			
Net profit attributable to equity shareholders		6,929.1	7,697.6
Weighted average number of equity shares outstanding		394,084,620	394,084,620
Basic and diluted earnings per share (Rs.)		17.62	19.53
Nominal value of equity share (Rs.)		5.00	5.00



Consolidated Statement of Profit and Loss for the year ended March 31, 2012
(All amounts are in millions 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

Chartered Accountants
Firm registration number: 101049W

For and on behalf of the board of directors

per S Balasubrahmanyam
Partner
Membership No.: 053315

Kalanithi Maran
Chairman

K. Vijaykumar
Managing Director and
Chief Executive Officer

R. Ravi
Company Secretary

Chennai
May 25, 2012

Chennai
May 25, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
Cash flow from operating activities		
Net profit before taxation	10,145.0	11,438.5
Adjustments for:		
Depreciation on tangible assets	1,121.7	858.1
Amortisation of intangible assets	3,595.1	3,946.5
Impairment of intangible assets	19.0	-
(Profit) / loss on sale of fixed assets	(6.3)	27.5
Translation loss /(gain) on monetary assets and liabilities	19.7	(5.6)
Provision for doubtful debts	19.7	10.9
Provision for doubtful advances and assets	66.6	49.2
Bad debts written off	48.1	113.6
Liabilities / provisions no longer required written back	(25.7)	-
Interest income	(517.5)	(318.3)
Preliminary expenses written off	-	0.5
Dividend income	(75.6)	(76.0)
Interest expense	53.0	15.9
Operating profit before working capital changes	14,462.8	16,060.8
Movements in working capital :		
(Increase) / Decrease in trade receivables	(883.7)	(1,175.2)
(Increase) / Decrease in inventories	9.0	12.9
(Increase) / Decrease in other current assets	39.1	(298.1)
(Increase) / Decrease in loans and advances	3,036.5	(222.8)
Increase / (Decrease) in trade payables and other liabilities	(2,590.2)	711.3
Increase / (Decrease) in provisions	(1,371.1)	7.3
Cash generated from / (used in) operations	12,702.4	15,096.2
Direct taxes paid (net of refunds)	(3,938.9)	(3,624.7)
Net cash flow from / (used in) operating activities (A)	8,763.5	11,471.5
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances)	(3,136.7)	(2,001.8)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)	(3,994.7)	(2,807.5)
Purchase of current investments	(316.7)	(867.9)
Sale of investments	867.9	465.6
Proceeds from sale of assets	22.1	1.7
Repayment of short term Loan	(1.4)	-
Term deposits placed with banks during the year	(2,550.7)	(4,504.0)
Term deposits refunded from banks during the year	5,032.6	3,376.9
Interest received	540.4	344.2
Dividends received	75.6	76.0
Net cash from / (used in) investing activities (B)	(3,461.6)	(5,916.8)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Cash flows (used in) / from financing activities

Proceeds from issuance of shares to minority shareholders	-	56.0
Loans availed	6,635.0	1,712.3
Loans repaid	(6,635.0)	(1,712.3)
Proposed dividends paid	(1,477.8)	(2,364.5)
Tax on proposed dividends paid	(239.7)	(392.7)
Interim dividends paid	(3,448.3)	(1,970.4)
Tax on interim dividends paid	(559.4)	(327.3)
Interest paid	(53.0)	(15.9)
Net cash (used in) / from financing activities (C)	(5,778.2)	(5,014.8)
Exchange differences on translation of foreign currency cash and cash equivalents	3.1	(4.0)
Net increase / (decrease) in cash and cash equivalents	(473.2)	535.9
Cash and cash equivalents at the beginning of the year	990.9	455.0
Cash and cash equivalents at the end of the year	517.7	990.9

Notes

a) The reconciliation to the cash and bank balances as given in Note 17 is as follows :

Cash and bank balances, per Note 17	3,075.1	6,030.2
Less : Term deposits placed with banks	(2,557.4)	(5,039.3)
Cash and cash equivalents, end of year	517.7	990.9

b) Components of cash and cash equivalents

Cash and cheques on hand	0.6	0.8
With banks - on current account	233.8	988.9
- on deposit account (unrestricted)	281.6	-
- on deposit account (restricted)	-	-
- on unpaid dividend accounts (restricted)*	1.7	1.2

* 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

For and on behalf of the board of directors

Chartered Accountants

Firm registration number: 101049W

per S Balasubrahmanyam

Partner

Membership No.: 053315

Chennai

May 25, 2012

Kalanithi Maran

Chairman

Chennai

May 25, 2012

K. VijayKumar

Managing Director and
Chief Executive Officer

R. Ravi

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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 three subsidiaries – Kal Radio Limited ('KRL') and South Asia FM Limited ('SAFML') both of which are incorporated in India and Sun TV Network Europe Limited ('STNEL') incorporated in the United Kingdom. KRL was incorporated on October 7, 2005 as Kal Radio Private Limited and 97.8% (March 31, 2011 – 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, 2011 – 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. STNEL, a wholly owned subsidiary of the Company was incorporated on June 25, 2009 and is engaged in the business of broadcasting and distribution of the Company's channels in Europe. KRL, SAFML and STNEL 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 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 Group's film production/ distribution division 'Sun pictures' undertakes production/ distribution of movies in Tamil language. KRL operates 18 Frequency Modulation ('FM') stations in South India. SAFML operates 22 FM stations and has licenses to operate in 1 other location in the rest of India.

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, 2012***(All amounts are in millions 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 Company	
	March 31, 2012	March 31, 2011
Deccan Digital Networks (Hyderabad) Private Limited*	17.14%	17.14%
Metro Digital Networks (Hyderabad) Private Limited*	17.14%	17.14%
AV Digital Networks (Hyderabad) Private Limited*	17.14%	17.14%
Pioneer Radio Training Services Private Limited**	28.92%	28.92%
South Asia Multimedia Private Limited**	28.92%	28.92%
Optimum Media Services Private Limited**	28.92%	28.92%
Asia Radio Broadcast Private Limited**	28.92%	28.92%
Digital Radio (Delhi) Broadcasting Limited**	28.92%	28.92%
Digital Radio (Mumbai) Broadcasting Limited **	28.92%	28.92%
Digital Radio (Kolkata) Broadcasting Limited **	28.92%	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 notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ('the Act') to reflect the financial position and the results of operations of the Group. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made and revaluation are carried out, if applicable. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The current year's financial statements have been prepared and presented in accordance with the requirements of the revised Schedule VI, as notified under the Companies Act, 1956 and applicable to the Company. The Company has also reclassified previous year figures in accordance with these requirements. However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they may not reflect all the disclosure requirements of the Act.

The accompanying financial statements have been stated in millions of Indian rupees and, accordingly, transactions or balances less than Rs 0.1 million are not considered material and hence not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

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, 2012 and statement of Profit and Loss and Cash Flows of Sun TV, KRL, SAFML and STNEL for the year ended March 31, 2012.
- 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, 2012.
- All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.
- Consolidation is applied from the date of obtaining control by the Group, till the date when the Group loses control.
- 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, 2006 (as amended). The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's direct and indirect percentage holding in its share capital of the respective associates.
- Any excess / shortage of cost to the Company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

d) 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.

Depreciation

Depreciation on fixed assets other than aircraft and leasehold improvements is provided on written down value method, pro-rata to the period of use of the assets, at the annual depreciation rates stipulated in Schedule XIV to the Companies Act, 1956 or based on estimated useful lives of the assets, whichever is higher as follows:

	Percent
Buildings	5.00 - 13.91
Plant and machinery	13.91 - 100.00
Computer and related equipment	40.00
Furniture and fittings	13.91
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.

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, 2012 includes cost of program production equipment of Rs. 1,517.7 million (Rs. 1,469.3 million), post production equipment of Rs. 675.0 million (Rs. 674.6 million), reception and distribution facilities of Rs. 1,683.8 million (Rs. 1,542.3 million), computer and related equipments of Rs. 1,041.0 million (Rs. 922.9 million), office equipment of Rs.699.1 million (Rs. 649.7 million) and aircraft of Rs. 2,641.4 million (Rs. 2,641.4 million). The net block of plant and machinery as at March 31, 2012 includes the net block of program production equipment of Rs. 284.3 million (Rs. 299.9 million), post production equipment of Rs. 228.9 million (Rs. 286.2 million), reception and distribution facilities of Rs. 559.1 million (Rs. 227.0 million), computer and related equipments of Rs. 368.9 million (Rs. 378.7 million), office equipment of Rs. 535.2 million (Rs. 536.5 million) and aircraft of Rs. 2,005.3 million (Rs. 2181.8 million).

The assets of the Associates are depreciated using straight line method over their estimated useful life.

e) Intangible assets

□ 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

□ 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 and program broadcasting rights are fully expensed on the date of first telecast of the film / program episode, as the case may be.

□ 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.

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.

□ Goodwill arising on Amalgamation

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

□ 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 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.

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 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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.

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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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.

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 and excise duty if any.

- Advertising income and broadcast fees are recognised when the related commercial or programme is telecasted.
- Program licensing 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts are in millions 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. 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 is recognised as per the terms of contract with mobile service providers.
- Revenues from aircraft charter services are recognised based on services provided and billed as per the terms of the contracts with the customers.
- 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 recognised on time proportion basis.
- Dividend Income is recognised when the right to receive payment is established by the balance sheet date.
- Export incentives are recognized on avilment 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 contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

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 income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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 the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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.

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) Operating leases

Operating 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

n) Foreign currency transactions

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.

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 arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses. All other exchange differences arising on settlement / conversion of foreign currency transactions are included in the profit and loss account.

Translations

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

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.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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

The Group considers geographical segments as its secondary segment. The Group's operations are predominantly within India and, accordingly, this is the only secondary reportable segment.

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, except in respect of number and per share information)***March 31, 2012 March 31, 2011****3. Share capital****Authorised Shares**

450,000,000 equity shares of Rs 5/- each (March 31, 2011 - 450,000,000 of Rs. 5/- each)	2,250.0	2,250.0
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Issued, subscribed and fully paid-up Shares

394,084,620 equity shares of Rs 5/- each (March 31, 2011 - 394,084,620 of Rs. 5/- each)	1,970.4	1,970.4
	1,970.4	1,970.4

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

	March 31, 2012		March 31, 2011	
	Number	Amount	Number	Amount
At the beginning of the period	394,084,620	1,970.4	394,084,620	1,970.4
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	394,084,620	1970.4	394,084,620	1970.4

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, 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 9.50/share (March 31, 2011: Rs. 8.75/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 exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid bonus shares by capitalization of securities premium *	197,042,310	197,042,310
Equity shares allotted as fully paid-up pursuant towards purchase consideration on amalgamation **	29,632,000	29,632,000

* These shares were originally issued at Rs 10 per share in the year 2007-08 and subsequently sub-divided into Rs 5 per share.

** These shares were originally issued at Rs 10 per share as fully paid towards purchase consideration to the shareholders of Udaya TV Private Limited and the erstwhile Gemini TV Private Limited, pursuant to their amalgamation with Sun TV Network Limited. These shares were subsequently sub-divided into 59,264,000 shares of Rs. 5/-each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, except in respect of number and per share information)***d. Details of shareholders holding more than 5% shares in the company**

Equity shares of Rs. 5 each fully paid	March 31, 2012		March 31, 2011	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	303,445,157	77.0%	303,445,157	77.0%

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.

	March 31, 2012	March 31, 2011
4 Reserves and surplus		
Securities premium account	4,718.2	4,718.2
General reserve		
Balance as per the last financial statements	2,743.0	1,970.8
Add: amount transferred from surplus balance in the statement of profit and loss	694.7	772.2
Closing Balance	3,437.7	2,743.0
Surplus in the statement of profit and loss		
Balance as per last financial statements	13,106.6	10,196.4
Profit for the year	6,929.1	7,697.6
Interim dividend [Rs 8.75/- per share (March 31, 2011: Rs 5.00/- per share)]	(3,448.3)	(1,970.4)
Tax on interim dividend	(559.4)	(327.3)
Proposed final dividend [Rs 0.75 /- per share (March 31, 2011: Rs 3.75/- per share)]	(295.6)	(1,477.8)
Tax on proposed dividend	(48.0)	(239.7)
Transfer to general reserve	(694.7)	(772.2)
Total appropriations	(5,046.0)	(4,787.4)
Net surplus in the statement of profit and loss	14,989.7	13,106.6
Foreign currency translation reserve		
Balance, beginning of year	(1.4)	-
Exchange difference during the year on net investment in non-integral foreign operations	5.0	(1.4)
Balance, end of year	3.6	(1.4)
Total reserves and surplus	23,149.2	20,566.4
5 Deferred tax Liability (net)		
Fixed Assets and Intangible Assets		
- Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	490.0	472.8
- Rule 9A/9B allowance	22.7	75.2
Gross deferred tax liability	512.7	548.0



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

	March 31, 2012	March 31, 2011
Deferred tax Asset		
- Provision for doubtful debts	(84.6)	(78.8)
- Provision for doubtful advances and assets	(60.5)	(38.9)
- Sec. 40(a)(ia) disallowances	(16.2)	(7.0)
- Others	(13.6)	(13.4)
Gross deferred tax asset	(174.9)	(138.1)
Net deferred tax liability	337.8	409.9
6 Other long-term liabilities		
Trade payables	0.3	1.8
Others		
-Interest free deposits from customers	43.8	113.7
-Deposits received from distributors	47.8	-
	91.9	115.5
7 Provisions		
	Long-term	Short-term
	March 31, 2012	March 31, 2011
	March 31, 2012	March 31, 2011
Provision for employee benefits		
Provision for gratuity	13.1	13.1
Provision for leave benefits	-	-
	13.1	13.1
Other provisions		
Proposed dividend	-	-
Provision for tax on proposed dividend	-	-
	295.6	1,477.8
	48.0	239.7
	343.6	1,717.5
	13.1	13.1
	350.5	1,721.6
8 Short-term borrowings - Unsecured		
	March 31, 2012	March 31, 2011
From Directors**	-	1.4
	-	1.4
** Repayable on demand		
9 Other current liabilities		
	March 31, 2012	March 31, 2011
9.1 Trade payables (refer Note 29 for details of dues to micro and small enterprises)	446.3	578.2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
9.2 Other liabilities		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	1.7	1.2
Deferred revenues	106.8	119.9
Interest free deposits from customers	44.2	22.6
Advances from customers	78.4	115.6
Advance received for sale of subsidiary	35.9	-
Dues payable in respect of fixed assets	97.1	233.6
Directors' Remuneration Payable	923.0	1,070.8
Salaries, wages and other employee benefits payable	29.2	8.9
Retention Money Payable	13.9	83.4
Statutory Dues	147.9	378.6
	1,478.1	2,034.6
	1,924.4	2,612.8

Note 10 on Tangible Assets and Note 11 on Intangible Assets are set out in the subsequent pages.

12 Non-current investments**Long Term Investments (At cost) - Trade****Equity instruments (Unquoted)**

-In Associate Companies :

AV Digital Networks (Hyderabad) Private Limited

413,605 (March 31, 2011 - 413,605) fully paid equity shares of Rs 10/- each

	6.6	6.6
Share of Profit / (Loss) from the Associate Company	(6.6)	(6.6)
	-	-

21,000,000 (March 31, 2011 - 21,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each

	250.4	250.6
Share of Profit / (Loss) from the Associate Company	(26.2)	-
	224.2	250.6

A**Metro Digital Networks (Hyderabad) Private Limited**

413,605 (March 31, 2011 - 413,605) fully paid equity shares of Rs 10/- each

	4.1	4.1
Share of Profit / (Loss) from the Associate Company	34.9	-
	39.0	4.1

64,000,000 (March 31, 2011 - 64,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each

B

	763.0	763.0
	802.0	767.1

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
Deccan Digital Networks (Hyderabad) Private Limited		
413,605 (March 31, 2011 - 413,605) fully paid equity shares of Rs 10/- each	29.9	17.6
Share of Profit / (Loss) from the Associate Company	8.0	12.3
	<u>37.9</u>	<u>29.9</u>
57,000,000 (March 31, 2011 - 57,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	679.6	679.6
C	<u>717.5</u>	<u>709.5</u>
Asia Radio Broadcast Private Limited		
2,857,000 (March 31, 2011 - 2,857,000) fully paid equity shares of Rs 10/- each	29.8	24.4
Share of Profit / (Loss) from the Associate Company	0.4	5.4
D	<u>30.2</u>	<u>29.8</u>
Optimum Media Services Private Limited		
2,857,000 (March 31, 2011 - 2,857,000) fully paid equity shares of Rs 10/- each	28.6	28.6
Share of Profit / (Loss) from the Associate Company	50.3	-
E	<u>78.9</u>	<u>28.6</u>
Pioneer Radio Training Services Private Limited		
2,857,000 (March 31, 2011 - 2,857,000) fully paid equity shares of Rs 10/- each	62.0	44.8
Share of Profit / (Loss) from the Associate Company	11.2	17.2
F	<u>73.2</u>	<u>62.0</u>
Total [A+B+C+D+E+F]	<u>1,926.0</u>	<u>1,847.6</u>
Total Unquoted Non current Investments	<u>1,926.0</u>	<u>1,847.6</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

10 Tangible assets

	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	March 31, 2012	March 31, 2011
Gross block								
Balance, April 1, 2011	877.4	2,410.1	7,900.2	613.7	388.1	249.9	12,439.4	9,015.7
Additions	-	219.7	357.8	199.5	11.5	14.5	803.0	3,623.5
Disposals	-	-	-	-	-	(49.8)	(49.8)	(199.8)
Balance - March 31, 2012	877.4	2,629.8	8,258.0	813.2	399.6	214.6	13,192.6	12,439.4
Accumulated Depreciation								
Balance, April 1, 2011	-	65.5	3,580.5	54.3	147.8	145.0	3,993.1	3,305.6
Charge for the period	-	208.3	695.8	120.3	68.3	29.0	1,121.7	858.1
Adjustment for disposals	-	-	-	-	-	(34.0)	(34.0)	(170.6)
Balance - March 31, 2012	-	273.8	4,276.3	174.6	216.1	140.0	5,080.8	3,993.1
<i>Net block</i>								
As at March 31, 2012	877.4	2,356.0	3,981.7	638.6	183.5	74.6	8,111.8	8,446.3
As at March 31, 2011	877.4	2,344.6	4,319.7	559.4	240.3	104.9	8,446.3	

* 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, 2012 are Rs 53.1 million and Rs 4.1 million respectively (March 31, 2011 - Rs 87.3 million and Rs 22.5 million respectively).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

11 Intangible assets	Film and Program Broadcasting Rights	Film Production Costs Distribution and Related Rights	Computer Software	Licenses	Goodwill on Amalgamation	Goodwill on Consolidation	March 31, 2012	March 31, 2011
<i>Gross block</i>								
Balance, April 1, 2011	9,134.5	3,172.5	145.8	1,934.8	196.3	438.1	15,022.0	11,088.7
Additions	2,925.0	511.8	10.6	-	-	-	3,447.4	3,968.8
Disposals	(62.9)	-	-	-	-	-	(62.9)	(35.5)
Balance - March 31, 2012	11,996.6	3,684.3	156.4	1,934.8	196.3	438.1	18,406.5	15,022.0
<i>Accumulated Amortisation</i>								
Balance, April 1, 2011	6,729.2	2,750.0	124.7	708.7	196.3	-	10,508.9	6,597.9
Charge for the period	2,519.0	864.3	13.7	198.1	-	-	3,595.1	3,946.5
Adjustment for disposals	(62.9)	-	-	-	-	-	(62.9)	(35.5)
Balance - March 31, 2012	9,185.3	3,614.3	138.4	906.8	196.3	-	14,041.1	10,508.9
<i>Impairment Loss</i>								
Balance, April 1, 2011	-	-	-	-	-	-	-	-
Charge for the period	19.0	-	-	-	-	-	19.0	-
Disposals	-	-	-	-	-	-	-	-
Balance - March 31, 2012	19.0	-	-	-	-	-	19.0	-
<i>Net block</i>								
As at March 31, 2012	2,792.3	70.0	18.0	1,028.0	-	438.1	4,346.4	4,513.1
As at March 31, 2011	2,405.3	422.5	21.1	1,226.1	-	438.1	4,513.1	



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

13 Loans and advances (Unsecured)

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital advances				
Considered good	3,765.6	943.6	-	-
Considered doubtful	94.2	94.2	-	-
	3,859.8	1,037.8	-	-
Provision for doubtful capital advances	(94.2)	(94.2)	-	-
(A)	3,765.6	943.6	-	-
Security deposit (Considered good)				
Rental and other deposits	71.9	63.2	-	0.5
Deposits with Government agencies	64.6	57.7	-	-
(B)	136.5	120.9	-	0.5
Loan to Associates - Considered good				
	-	-	344.6	338.9
(C)	-	-	344.6	338.9
Loan and advances to other related parties - Considered good				
	-	-	18.3	16.8
(D)	-	-	362.9	355.7
Advances recoverable in cash or kind				
Considered good	2.7	-	87.3	47.5
Considered doubtful	-	-	70.2	25.7
	2.7	-	157.5	73.2
Provision for doubtful advances	-	-	(70.2)	(25.7)
(E)	2.7	-	87.3	47.5
Other loans and advances				
Advance income-tax (net of provision for taxation)	987.9	452.7	-	-
Prepaid expenses	48.9	52.4	320.9	43.0
Balances with statutory / government authorities				
- Considered good	-	-	47.2	61.2
- Considered doubtful	-	-	22.1	-
	1,036.8	505.1	390.2	104.2
Provision for doubtful balances with statutory and government authorities	-	-	(22.1)	-
(F)	1,036.8	505.1	368.1	104.2
Total (A+ B + C + D + E + F)	4,941.6	1,569.6	818.3	507.9



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

Loans and advances due by directors or other officers, etc.

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Loans and advances to related parties include -				
Dues from Private Companies in which the Company's directors are members/directors:				
- Kal Publications Private Limited	-	-	7.5	7.5
- Dues from Sun Direct TV Private Limited	-	-	4.8	6.0
- Dues from Kal Comm Private Limited	-	-	5.2	5.2
- Dues from AV Digital Networks (Hyderabad) Private Limited	-	-	344.6	338.9

14 Trade receivables and other assets

14.1 Trade receivables (Unsecured)

	Current	
	March 31, 2012	March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	250.1	323.3
- Considered doubtful	273.3	253.6
	523.4	576.9
Provision for doubtful receivables	(273.3)	(253.6)
	(A) 250.1	323.3
Other trade receivables		
Unsecured, considered good	4,840.2	3,968.0
	4,840.2	3,968.0
	(B) 4,840.2	3,968.0
Total (A + B)	5,090.3	4,291.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Current	
	March 31, 2012	March 31, 2011
Trade receivables include:		
Dues from Private Companies in which the Company's directors are members and directors:		
- Kal Comm Private Limited	-	78.5
- Sun Direct TV Private Limited	1,005.9	516.2
- Kal Publications Private Limited	101.1	69.3
- Sun 18 Media Services South Private Limited	228.8	217.3
- Kungumam Publications Private Limited	4.0	-
- Udaya FM Private Limited	0.2	-
- Sun Business Solutions Private Limited	0.5	-

	Current	
	March 31, 2012	March 31, 2011
14.2 Other assets		
Interest accrued on fixed deposits	4.1	18.5
Unbilled Revenues	392.4	440.0
Total	396.5	458.5

15 Current investments	March 31, 2012	March 31, 2011
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Quoted equity instruments		
469,638 fully paid equity shares of Rs 1/- each (March 31, 2011 - 469,638 fully paid equity shares of Rs 1/- each) in City Union Bank Limited	1.4	1.4
Un Quoted Mutual Funds		
Templeton India Low Duration Fund-Monthly Dividend Reinvestment - 3,894,297.423 units (March 31, 2011 - Nil units)	40.4	-
Reliance Fixed Horizon Fund-XXI-Series 5-Growth Option- 5,000,000 units (March 31, 2011 - Nil units)	50.0	-
ICICI Prudential Institutional Daily Dividend - Nil units (March 31, 2011 - 25,481,128.313 units) Face Value: Rs. 10 per unit	-	255.0
Kotak Quarterly Interval Plan (Series 1 Dividend) - Nil units (March 31, 2011 - 8,070,623.933 units) Face Value Rs. 10 per unit	-	80.7
Pramerica Ultra Short Term Bond Fund (Daily Dividend Option) - Nil units (March 31, 2011 - 80,228.271 units) Face Value Rs. 1,000 per unit	-	80.2

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
DWS Money Plus Fund (Institutional Daily Dividend) - Nil units (March 31, 2011 - 22,883,972.978 units) Face Value Rs. 10 per unit	-	230.6
TATA Treasury Manager Ship (Daily Dividend) - Nil units (March 31, 2011 - 39,675.12 units) Face Value Rs. 1,000 per unit	-	40.1
Canara Robeco Treasury Advantage Fund (Daily Dividend) - Nil units (March 31, 2011 - 3,230,241.25 units) Face Value - Rs. 10 per unit	-	40.1
Kotak Quarterly Interval Plan Series 4 - Dividend - Nil units (March 31, 2011 - 3,000,000 units) Face Value Rs 10 per unit	-	30.0
HDFC Cash Management Fund -Treasury Advantage Plan-Wholesale Daily Dividend - 43,483,434 units (March 31, 2011 - 7,590,773 units) Face Value Rs 10 per unit	43.5	76.0
Tata Fixed Maturity Plan Series 28 Scheme A - Dividend - Nil units (March 31, 2011 - 3,500,000 units) Face Value Rs 10 per unit	-	35.0
Templeton India Low Duration Fund - 5,198,124 units (March 31, 2011 - Nil) Face Value Rs 10 per unit	52.0	-
Tata Floater Fund - Daily Dividend - 1,566,061 units (March 31, 2011 - Nil) Face Value Rs 10 per unit	15.7	-
Axis Fixed Term Plan Series 20 - Dividend - 7,400,000 units (March 31, 2011 - Nil) Face Value Rs 10 per unit	74.0	-
Kotak Bond (Short term) Plan - Monthly Dividend - 3,106,762 units (March 31, 2011 - Nil) Face Value Rs 10 per unit	31.1	-
IDFC Fixed Maturity Quarterly Series 71 Dividend - 1,000,000 units (March 31, 2011 - Nil) Face Value Rs 10 per unit	10.0	-
Total Value of Current investments	318.1	869.1
Market Value of Quoted Investments	22.7	21.0

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
16 Inventories (valued at lower of cost and net realizable value)		
Consumables and media	3.5	7.5
Receivers and Cards	1.6	6.6
Total	5.1	14.1
17 Cash and bank balances		
	Current	
	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Balances with banks:		
On current accounts	233.8	988.9
Deposits with original maturity of less than three months	281.6	-
On unpaid dividend account	1.7	1.2
Cheques on hand	0.1	0.3
Cash on hand	0.5	0.5
	517.7	990.9
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	2,557.4	5,039.3
	2,557.4	5,039.3
	3,075.1	6,030.2

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
18 Revenue from operations		
Sale of services		
Advertising income	10,294.3	10,531.8
Broadcast fees	1,639.6	1,537.4
Program licensing income	825.7	622.9
Subscription income	5,046.1	5,157.4
Income from movie distribution	596.7	2,213.2
Income from content trading	25.0	14.5
Aircraft charter services	44.3	57.4
	18,471.7	20,134.6
19 Other income		
Interest income on		
- on bank deposits	445.8	297.1
- on loans to associates	25.7	19.3
- others	45.9	1.9
Dividend income on current investments	75.6	76.0
Profit on sale of assets (net)	6.3	-
Gain on foreign exchange fluctuation (net)	72.7	-
Export incentives	54.7	-
Liabilities / provisions not required written back	25.7	-
Other non-operating income	43.1	92.7
	795.5	487.0
20 Cost of Revenues		
Telecast costs	211.7	182.0
Program production expenses	461.7	535.7
Cost of program rights	188.9	118.1
Consumables and media expensed	21.9	15.7
Pay channel service charges	244.5	300.7
Licenses	155.0	157.7
Others	41.8	39.4
	1,325.5	1,349.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
21 Employees' benefits expense		
Salaries, wages and bonus	607.9	537.0
Gratuity expense (Refer Note 32)	19.2	14.8
Contributions to provident fund and other funds	60.3	52.0
Staff welfare expense	31.6	27.4
Directors' remuneration		
- Salary	217.2	217.2
- Ex-gratia / Bonus	923.0	1,070.8
	1,859.2	1,919.2
22 Other expenses		
Legal and professional fees (Refer details below for payments made to auditors)	95.0	102.4
Travel and conveyance	66.2	61.9
Rent	119.2	105.2
Electricity expense	143.8	125.2
Power and fuel	71.4	65.0
Repairs and maintenance		
- Building	6.8	9.6
- Plant and machinery	71.7	59.6
- Others	74.0	65.6
Communication	81.2	51.1
Utilities	81.4	60.0
Insurance	12.4	13.6
Bad debts written off	48.1	113.6
Provision for doubtful debts	19.7	10.9
Provision for doubtful advances and assets	66.6	49.2
Donations	32.2	7.8
Loss on foreign exchange fluctuation (net)	-	4.3
Loss on sale of assets (net) /assets scrapped	-	27.5
Rates and taxes	18.3	26.4
Miscellaneous expenses	53.4	44.9
Preliminary expenses written off	-	0.5
	1,061.4	1,004.3

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2012	March 31, 2011
Payment to auditor		
As auditor:		
Audit fee	3.1	3.1
Limited review	1.8	1.8
Service Tax	0.5	0.5
In other capacity:		
Other services (certification fees)	0.1	0.1
Reimbursement of expenses	0.1	0.1
	5.6	5.6
23 Advertisement and marketing expenses		
Advertisement and marketing expenses	74.3	59.1
	74.3	59.1
24 Depreciation and amortization expense		
Depreciation of tangible assets	1,121.7	858.1
Amortization of intangible assets	3,595.1	3,946.5
Impairment of intangible assets	19.0	-
	4,735.8	4,804.6
25 Finance costs		
Interest		
- on loans against deposits	44.4	2.3
- others	8.6	13.6
Bank charges	5.2	6.6
	58.2	22.5

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***26. Goodwill / (Capital Reserve) arising on investments of the group in its Associates**

Name of the Associate	March 31, 2012 and March 31, 2011	
	Original Cost of Acquisition	Goodwill / (Capital Reserve)
Deccan Digital Networks (Hyderabad) Private Limited	4.1	3.8
Metro Digital Networks (Hyderabad) Private Limited	4.1	103.0
AV Digital Networks (Hyderabad) Private Limited	4.1	(3.7)
Pioneer Radio Training Services Private Limited	28.6	32.9
Optimum Media Services Private Limited	28.6	172.9
Asia Radio Broadcast Private Limited	28.6	3.5

27. Capital and other commitments

a) Capital Commitments (net of advances)

	March 31, 2012	March 31, 2011
Outstanding commitments on capital contracts	322.1	85.4
Commitments for acquisition of film and program broadcasting rights	1,487.1	1,209.7
	1,809.2	1,295.1

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 eight times the duty saved to be fulfilled within a period of eight years from date of import of the capital goods.

Accordingly, the Company currently has an export obligation aggregating to Rs. 2,551.2 million (March 31, 2011 Rs. 2,028.8 million).

c) License Fee to Ministry of Information and Broadcasting ('MIB')

The Group has obtained licenses to carry on FM radio operations in 44 locations. The Group is required to pay license fee at 4% on the Gross revenues earned during the financial year from these FM operations or 10% of the Reserve OTEF ('One Time Entry Fee') for the respective city, whichever is higher as required by terms of requirements of the Grant of Permission Agreement between the Group and Ministry of Information and Broadcasting.

28. Contingent liabilities

	March 31, 2012	March 31, 2011
Income Tax*	1,488.6	719.4
Customs Duty**	5.0	5.0
Claims against the Group not acknowledged as debt	1.0	1.0
	1,494.6	725.4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

* The Company received demands of income tax in respect of earlier years, disallowing the manner of allowance claimed by the Company for certain expenses. The Company has gone on appeal against the said demands, and based on judicial pronouncements and other arguments, management believes that the Company's claim is likely to be accepted by Appellate authorities. Further, management believes that any disallowance of such expenses would result in deductible timing differences.

** The Company has received demand for differential customs duty 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.

29. Dues to Micro and Small Enterprises

There is no overdue amount payable to Micro and Small Enterprises are 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.

30. 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:

Particulars	Foreign Currency	March 31, 2012		March 31, 2011	
		Amount in Foreign Currency (in millions)	Amount in Indian Rupees	Amount in Foreign Currency (in millions)	Amount in Indian Rupees
Sundry Debtors	USD	2.5	126.4	1.3	58.3
Sundry Debtors	GBP	-	-	0.4	25.2
Sundry Debtors	CAD	0.1	1.9	0.1	5.4
Sundry Debtors	AUD	0.1	3.1	-	-
Security Deposits from customers	AUD	0.1	2.7	0.1	2.3
Security Deposits from customers	USD	0.3	16.4	0.2	10.3
Security Deposits paid	USD	0.2	9.2	-	-
Advance received towards sale of subsidiary	EURO	0.5	35.9	-	-

31. Leases

Operating leases (As a lessee)

The Group has taken a KU band satellite transponder and office premises on operating lease. There are no escalation clauses in the lease agreements. Further, there are no restrictions imposed by the lease arrangements and there are no subleases.

Particulars	March 31, 2012	March 31, 2011
Lease payments recognised in the profit and loss account for the year	204.0	193.3
Minimum Lease Payments		
Not later than one year	251.4	126.8
Later than 1 year but not later than 5 years	427.3	238.9
Later than 5 years	17.4	41.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)*Operating leases (As a lessor)

The Group has leased out its Office Buildings. These non cancellable leases have remaining terms of between 1 and 3 years.

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

Particulars	March 31, 2012	March 31, 2011
Lease payments recognised in the statement of profit and loss account for the year	20.6	-
Minimum Lease Payments		
Not later than one year	24.3	-
Later than 1 year but not later than 5 years	18.2	-
Later than 5 years	-	-

32. 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 company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Statement of Profit & Loss

	March 31, 2012	March 31, 2011
Current service cost on Benefit Obligations	10.2	15.1
Interest cost on Benefit Obligations	4.3	3.2
Expected return on plan assets	(4.0)	(3.1)
Net actuarial (gains)/ losses recognised in the year	2.1	(0.5)
Net Benefit Expense	12.6	14.7
Actual return on plan assets	3.2	2.9

Balance SheetDetails of Provision for gratuity

	March 31, 2012	March 31, 2011
Defined benefit obligation	68.6	56.1
Fair value of plan assets	(51.2)	(38.9)
Plan Liability /(Asset)	17.4	17.2
Experience adjustments on plan liabilities	1.8	0.8
Experience adjustments on plan assets	(0.3)	1.4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

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

	March 31, 2012	March 31, 2011
Opening defined benefit obligation	56.1	42.2
Current service cost	10.2	15.1
Interest cost	4.3	3.2
Actuarial (gains) / losses on obligation	1.7	(0.9)
Benefits paid	(3.7)	(3.5)
Closing defined benefit obligation	68.6	56.1

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

	March 31, 2012	March 31, 2011
Opening fair value of plan assets	38.9	31.6
Expected return	4.0	3.1
Actuarial gains / (losses)	(0.4)	(0.4)
Contributions by employer	12.4	8.1
Benefits paid	(3.7)	(3.5)
Closing fair value of plan assets	51.2	38.9

The experience adjustments on plan liabilities and assets, and net surplus / deficit for the years ended March 31, 2010, March 31, 2009 and March 31, 2008 are as follows:

	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation at the end of the period	42.2	27.7	26.8
Fair value of plan assets	(31.6)	(20.6)	(12.3)
Net deficit	10.6	7.1	14.5
Experience adjustments on plan liabilities	5.4	(3.5)	4.2
Experience adjustments on plan assets	0.5	0.5	0.4

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

	March 31, 2012	March 31, 2011
	%	%
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.00% - 9.25%	8.00% - 9.25%
Employee turnover	1%-3%	1%-3%

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. The Group does not currently have any estimates of the contribution to be paid to the plan during the next year. Accordingly, the same has not been disclosed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012*(All amounts are in millions of Indian Rupees, unless otherwise stated)***33. Related party disclosures (to the extent not disclosed elsewhere in these consolidated financial statements)****1. Enterprises in which Key Management personnel or their relatives have significant influence**

Kal Publications Private Limited	Sun Foundation
Spicejet Limited	Murasoli Maran Family Trust
Udaya FM Private Limited	S & S Textiles
Sun Direct TV Private Limited	D.K. Enterprises Private Limited
Kungumam Publications Private Limited	Kungumam Nithyagam Private Limited
Sun 18 Media Services South Private Limited	Kal Investments (Madras) Private Limited
Kal Comm Private Limited	Kal Media Services Private Limited
Kal Airways Private Limited	Kal Cables Private Limited
Kal Holdings Private Limited	Sun Business Solutions Private Limited

2. 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	

3 Key Management personnel

Mr. Kalanithi Maran	– Executive Chairman (Chairman and Managing Director till April 19, 2012) in Sun TV Network Limited
Mrs. Kavary Kalanithi	– Executive Director (Joint Managing Director till April 19, 2012) in Sun TV Network Limited
Mr. K. Vijaykumar	– Managing Director and Chief Executive Officer (Chief Operating Officer till April 19, 2012) in Sun TV Network Limited
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, 2012

(All amounts are in millions 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		Associates		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Income :						
Subscription Income						
<i>Kal Comm Private Limited</i>	-	879.0	-	-	-	-
<i>Sun Direct TV Private Limited</i>	1,830.3	1,590.9	-	-	-	-
<i>Sun 18 Media Services South Private Limited</i>	1,630.1	1,262.8	-	-	-	-
Advertising Income						
<i>Sun Direct TV Private Limited</i>	98.1	267.6	-	-	-	-
<i>SpiceJet Limited</i>	12.2	-	-	-	-	-
<i>Others</i>	12.8	62.2	-	-	-	-
Aircraft Charter Services						
<i>SpiceJet Limited</i>	14.7	-	-	-	-	-
<i>Kal Publications Private Limited</i>	22.2	14.5	-	-	-	-
<i>Sun Direct TV Private Limited</i>	1.0	41.3	-	-	-	-
<i>Others</i>	6.3	1.6	-	-	-	-
Interest earned						
<i>Kal Comm Private Limited</i>	30.2	-	-	-	-	-
<i>Kal Publications Private Limited</i>	15.7	-	-	-	-	-
<i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	25.7	19.3	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Rental and Business Support Income								
<i>Sun Direct TV Private Limited</i>	15.2	0.5	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	12.1	0.2	-	-	-	-	-	-
<i>Others</i>	8.8	0.1	-	-	-	-	-	-
Movie Content Income								
<i>Sun Direct TV Private Limited</i>	18.2	-	-	-	-	-	-	-
Program Production expenses								
<i>Kal Publications Private Limited</i>	43.8	43.8	-	-	-	-	-	-
<i>Others</i>	1.8	1.2	-	-	-	-	-	-
Legal and professional fees								
<i>Professional fees</i>	-	-	-	-	-	-	0.2	0.2
<i>Mrs. Mallika Maran</i>	-	-	-	-	-	-	-	-
Pay Channel service charges								
<i>Kal Comm Private Limited</i>	-	112.5	-	-	-	-	-	-
<i>Sun 18 Media Services South Private Ltd</i>	244.5	188.2	-	-	-	-	-	-
Rent Expense								
<i>Kal Publications Private Limited</i>	22.1	5.3	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	-	1.5	-	-	-	-	-	-
Donations								
<i>Sun Foundation</i>	22.0	7.8	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Repayment of Loan <i>Kalanithi Maran</i>	-	-	-	-	1.4	-
Advertisement expenses <i>Kal Publications Private Limited</i>	3.8	14.3	-	-	-	-
Remuneration paid (including ex-gratia)						
<i>Salary - Mr.Kalanithi Maran</i>	-	-	-	-	108.6	108.6
<i>Salary - Mrs.Kavery Kalanithi</i>	-	-	-	-	108.6	108.6
<i>Ex-gratia/ Bonus- Mr.Kalanithi Maran</i>	-	-	-	-	461.5	535.4
<i>Ex-gratia/ Bonus- Mrs.Kavery Kalanithi</i>	-	-	-	-	461.5	535.4
<i>Salary / Ex-Gratia - Mr.K. Shanmugam</i>	-	-	-	-	5.2	4.9
Share in profits / (losses) from Associates						
<i>Deccan Digital Networks (Hyderabad) Private Limited</i>	-	-	8.0	12.3	-	-
<i>Asia Radio Broadcast Private Limited</i>	-	-	0.4	5.4	-	-
<i>Pioneer Radio Training Services Private Ltd</i>	-	-	11.2	17.2	-	-
<i>Optimum Media Services Pvt. Ltd</i>	-	-	50.3	-	-	-
<i>Metro Digital Networks (Hyd) Pvt. Ltd</i>	-	-	34.9	-	-	-
<i>AV Digital Networks (Hyderabad) Pvt. Ltd</i>	-	-	(26.2)	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Dividends Paid / Payable <i>Mr. Kalanithi Maran</i>	-	-	-	-	3,793.1	2,655.1
Reimbursement of Cost of shared services (Net) <i>Kal Publications Private Limited</i>	(0.2)	(1.4)	-	-	-	-
Sale of assets <i>Kal Publications Private Limited</i>	0.1	-	-	-	-	-
Expenditure on intangible assets under development <i>D.K Enterprises Private Limited</i>	-	1.0	-	-	-	-
Travelling Expenses <i>SpiceJet Limited</i>	1.1	-	-	-	-	-
Channel Placements Fees <i>Sun Direct TV Private Limited</i>	10.4	-	-	-	-	-
Balance Outstanding: Accounts Receivable <i>Sun Direct TV Private Limited</i>	1,005.6	516.2	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<i>Sun 18 Media Services South Private Limited</i>	228.8	217.3	-	-	-	-
<i>Kal Comm Private Limited</i>	-	78.5	-	-	-	-
<i>Others</i>	118.9	1.2	-	-	-	-
Unsecured Loans						
<i>Mr. Kalanithi Maran</i>	-	-	-	-	-	1.4
Loans and Advances						
<i>Kal Publications Private Limited</i>	7.5	7.1	-	-	-	-
<i>Kal Comm Private Limited</i>	5.2	5.2	-	-	-	-
<i>Sun Direct TV Private Limited</i>	4.8	4.8	-	-	-	-
<i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	321.5	321.5	-	-
Interest Receivable						
<i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	23.1	17.4	-	-
Prepaid Expenses						
<i>Sun Direct TV Private Limited</i>	239.6	-	-	-	-	-
Rental and other deposits						
<i>Kal Publications Private Limited</i>	1.0	1.0	-	-	-	-
<i>Sun Direct TV Private Limited</i>	-	1.1	-	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Security Deposit and Other Current Liabilities						
<i>Kal Publications Private Limited</i>	0.1	-	-	-	-	-
Accounts Payable						
<i>Kal Comm Private Limited</i>	4.7	21.4	-	-	-	-
<i>Kal Publications Private Limited</i>	17.5	6.9	-	-	-	-
<i>Sun 18 Media Services South Private Limited</i>	30.9	56.6	-	-	-	-
<i>Others</i>	5.9	0.1	-	-	-	-
Deposits Payable						
<i>Kal Comm Private Limited</i>	-	19.5	-	-	-	-
<i>Sun Direct TV Private Limited</i>	0.2	0.2	-	-	-	-
Ex-gratia /Bonus Payable						
<i>Mr. Kalanithi Maran</i>	-	-	-	-	461.5	535.4
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	461.5	535.4



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
(All amounts are in millions of Indian Rupees, unless otherwise stated)

34. Utilisation of IPO proceeds

The utilisation of the total IPO proceeds of Rs. 6,027.9 million as at March 31, 2012 is as under:

S.No	Purpose	Uses of Funds as projected in the prospectus	Actual use of funds as at March 31, 2012	Actual use of funds as at March 31, 2011
1	Capitalisation of the subsidiaries	3,557.7	3,557.7	3,557.7
2	Launch of new TV channels and Purchase of new equipment and up-gradation of existing equipment	1,449.5	1,224.2	1,066.1
3	Construction of an owned corporate office, studio facilities and additional uplinking infrastructure	623.4	623.4	623.4
4	General corporate purposes	88.8	-	-
5	Share issue expenses	308.5	278.1	278.1
	Total	6,027.9	5,683.4	5,525.3

35. Prior year comparatives

Till the year ended March 31, 2011, the Group was using the general format specified under the pre-revised Schedule VI to the Act, for preparation and presentation of its financial statements. For the year ended March 31, 2012, the same has been presented under the general format specified under the revised Schedule VI notified under the Act. The Group has reclassified previous year figures to conform to this year's classification.

As per our report of even date.

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

per S Balasubrahmanyam
Partner
Membership No.: 053315

Chennai
May 25, 2012

For and on behalf of the Board of Directors

Kalanithi Maran **K. Vijaykumar**
Chairman Managing Director
and Chief Executive Officer

R. Ravi
Company Secretary

Chennai
May 25, 2012

**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 millions of Indian Rupees, unless otherwise stated)

Name of the Company	KAL RADIO LIMITED		SOUTH ASIA FM LIMITED		SUN TV NETWORK EUROPE LIMITED*	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Particulars						
Share Capital <i>(Incl. Share application money)</i>	1,769.35	1,769.35	4,838.61	4,838.61	59.8	59.8
Reserve & Surplus	(603.01)	(617.0)	(1,956.01)	(1,822.30)	(112.99)	(1.40)
Total Liability(^)	193.88	225.24	299.12	310.53	90.75	141.80
Total Assets (#)	1,360.22	1,377.59	3,181.72	3,326.84	37.56	200.20
Total Income (including other income)	461.15	514.36	437.36	378.59	89.77	134.80
Profit / (Loss) before Tax	14.00	88.78	(133.71)	(175.08)	(3.45)	(28.80)
Provision for Tax	-	-	-	-	-	-
Profit / (Loss) after Tax	14.00	88.78	(133.71)	(175.08)	(3.45)	(28.80)
Proposed Dividend (including Dividend Tax)	-	-	-	-	-	-
Investments (included in Total Assets)	172.71	100.54	1,844.71	1,831.83	-	-

^ (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)

* Exchange rate used for Balance sheet is 1 GBP = INR 66.34 (closing) & for Income Statement is 1 GBP = INR 66.75 (average).

SUN TV NETWORK LIMITED
Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600 028

ATTENDANCE SLIP

Twenty Seventh Annual General Meeting, 28th September 2012

Regd. Folio No./ DP ID/ Client ID _____

No. of shares held _____

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company. I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, the 28th September 2012 at 10.00 AM at Kalaignar Arangam, Anna Arivalayam, 367 / 369, Anna Salai, Teynampet, Chennai - 600 018.

Name of the Member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note: Members are requested to fill up this attendance slip and hand it over at the entrance of the meeting hall. No duplicate attendance slips will be issued at the venue of the meeting. Members are requested to bring their copies of the Annual Report to the meeting



SUN TV NETWORK LIMITED
Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600 028

PROXY FORM

Regd. Folio No./ DP ID/ Client ID _____

Twenty Seventh Annual General Meeting, 28th September 2012

No. of shares held _____

I / We _____ of _____ being a member of Sun TV Network Limited hereby appoint _____ of _____ as my / our Proxy or failing him/her _____ of _____ as my proxy to vote for me/us on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, the 28th September 2012 at 10.00 AM at Kalaignar Arangam, Anna Arivalayam, 367 / 369, Anna Salai, Teynampet, Chennai - 600 018 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
1 Rupee
Stamp

Note: The proxy form in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company at Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600 028 not less than 48 hours before the time for holding the Meeting.

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