

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER R. Ravi

BANKERS

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

AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot Number 31 & 32, Financial District,
Gachibowli, Hyderabad - 500 032.
www.karvycomputershare.com

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

MANAGEMENT

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

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FINANCIAL PERFORMANCE FOR LAST 10 YEARS

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

Financial Highlights

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Revenue	2,403.98	2,243.62	2,096.78	1,817.62	1,757.37	1,923.71	1,395.01	1,008.20	861.06	676.95
Total Income	2,493.30	2,331.45	2,175.99	1,872.64	1,831.57	1,970.50	1,437.52	1,091.52	925.99	726.40
PBITDA	1,797.80	1,702.04	1,471.73	1,396.42	1,419.54	1,567.16	1,112.10	799.74	630.48	483.63
Operating Expenditure	695.50	629.41	633.40	440.73	356.70	365.82	284.46	236.61	239.18	195.12
Depreciation & Amortisation	483.16	587.83	453.34	413.18	443.00	447.38	285.44	184.92	113.03	119.29
Profit before Tax	1330.50*	1,111.99	1,084.71	1,013.94	1,026.32	1,155.32	866.42	666.10	568.22	408.90
Equity Dividend %	310%	225%	190%	190%	190%	175%	150%	50%	50%	50%

Key Indicators

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Earnings per share (Rs.)	22.01*	18.71	18.19	17.34	17.63	19.60	14.40	11.09	9.31	6.85
Book Value per share (Rs.)	89.11	85.76	80.49	73.41	67.12	60.54	51.13	45.49	37.32	61.86
PBITDA %	72%	76%	70%	76%	80%	81%	80%	77%	72%	71%
Net Profit Margin %	35%	32%	33%	36%	38%	39%	39%	40%	40%	37%
ROCE %	38%	34%	36%	36%	40%	52%	45%	41%	43%	47%
RONW %	25%	23%	24%	25%	28%	35%	30%	27%	27%	35%

Note 1: * Profit Before Tax includes income from extraordinary items of Rs. 17.97 crores and EPS on the same of Re.0.46 per share.

Note 2: Face value per share - Rs. 5/-

Note 3: Bonus issue in the ratio 1:1 in FY 2007 - 08

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Thirty First Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

The financial highlights for the year ended 31st March 2016 are given below:

(Rs. in Crores)

Particulars	For the year ended Standalone		For the year ended Consolidated	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Total Income	2,493.30	2,331.45	2,680.41	2,494.29
Total Expenditure (Excluding Interest & Financial Charges)	1,178.66	1,217.24	1,300.53	1,333.45
Profit before interest and tax	1,314.64	1,114.21	1,379.88	1,160.84
Interest & Financial Charges	2.11	2.22	2.20	2.29
Profit Before Extraordinary items and Tax	1,312.53	1,111.99	1,377.68	1,158.55
Extraordinary items (net)	17.97	-	17.97	-
Profit Before Tax after Extraordinary items	1,330.50	1,111.99	1,395.65	1,158.55
Provision for Taxation	463.25	374.76	475.49	375.96
Profit before minority interest & Share in Net Profit of Associates	867.25	737.23	920.16	782.59
Share in Profit from Associates	-	-	10.63	13.53
Profit after taxes	867.25	737.23	930.79	796.12
Profit attributable to :				
Owners of Equity	-	-	913.38	782.04
Minority Interest	-	-	17.41	14.08
Profit after taxes	867.25	737.23	913.38	782.04
Accumulated Profit, beginning of the year	2,227.04	2,019.14	2,195.48	1,942.77
Interim Dividend	610.83	443.35	610.83	443.35
Tax on Interim Dividend	124.35	85.98	124.35	85.98
Profit Carried Forward	2,359.11	2,227.04	2,373.68	2,195.48
Earnings Per Share (Face value Rs.5/-) before extraordinary items	21.55	18.71	22.72	19.84
Earnings Per Share (Face value Rs.5/-) after extraordinary items	22.01	18.71	23.18	19.84

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

SUMMARY OF OPERATIONS

The Total Income for the year ended 31st March 2016 was Rs. 2,493.30 crores as against Rs. 2,331.45 crores during the previous year ended 31st March 2015. Profit Before Tax after extraordinary items was Rs. 1,330.50 crores as against Rs. 1,111.99 crores in the previous year. Profit After Tax after extraordinary items was Rs. 867.25 crores as against Rs. 737.23 crores in the previous year.

BUSINESS OVERVIEW

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

DIVIDEND

During the financial year ended 31st March 2016, the Board of Directors declared the Interim Dividends of Rs. 6.00/- per equity share (120%), Rs. 2.00/- per equity share (40%) and Rs. 7.50/- per equity share (150%) at the Board Meetings held on April 30, 2015, February 12, 2016 and March 14, 2016 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2016. (Prev. Year of 225%, i.e., Rs 11.25/- per equity share of face value of Rs.5.00/- each). The Payout ratio currently stands at 84.77%.

TRANSFER TO RESERVES

During the financial year 2015-16, no amount has been transferred to the General Reserve.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- ⇒ In the preparation of the Statement of Profit & Loss for the financial year ended 31st March, 2016 and Balance Sheet as at that date ("financial statements"), the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ⇒ Appropriate accounting policies have been selected and applied consistently and made such judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- ⇒ Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function;
- ⇒ The financial statements have been prepared on a going concern basis.
- ⇒ Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- ⇒ Proper systems are in place to ensure compliance of all laws applicable to the Company;

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mrs. Kavery Kalanithi, Director of the Company will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board of Directors recommend her re-appointment.

The information on the particulars of director eligible for re-appointment in terms of Regulation 36(3) of the Listing Regulations has been provided in annexure to the notice convening the Annual General Meeting.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company are Mr. K. Vijaykumar, Managing Director and Chief Executive Officer, Mr. V.C. Unnikrishnan, Chief Financial Officer and Mr. R. Ravi, Company Secretary. There has been no change in the Key Managerial Personnel during the year under review.

APPOINTMENT OF MR. R. MAHESHKUMAR AS PRESIDENT

As a part of our ongoing effort to strengthen our Management Team the Company appointed Mr. R. Maheshkumar as President with effect from 1st November 2015. Mr. R. Maheshkumar, 46 is a Chartered Accountant with over 23 years' experience out of which more than 15 years has been with Media Industry.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required under Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") with the Stock exchanges, we continue to be a pioneer in benchmarking our corporate governance policies with the best in the media industry. The report on Management Discussion and Analysis, Corporate Governance as well as the Auditor's certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

Various information required to be disclosed under the Companies Act, 2013 and Schedule V of SEBI (LODR) Regulations, 2015 is set out in the Annexure - I and forms part of this report.

AUDITORS AND SECRETARIAL AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W) as the Auditors of the Company approved by the Shareholders at the 29th Annual General Meeting (AGM), for a term of three years, i.e. till the conclusion of 32nd AGM, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 32nd AGM of the Company to be held in the year 2017, at such remuneration plus applicable taxes, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

As per the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Smt. Lakshmmi Subramanian, Senior Partner of M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure VI.

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

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The CSR Committee of the Company has approved a CSR policy. The Annual report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended in Annexure II to this Report. Further details relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms part of this report.

SUBSIDIARY COMPANIES

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

MATERIAL SUBSIDIARY COMPANY

As per Regulation 16 of the Listing Regulations, your Company has no material subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of your Company and its subsidiaries in the immediately preceding accounting year.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 (2) of the Companies Act, 2013, an amount of Rs. 0.02 crores being unclaimed dividend pertaining to the financial year 2007-08, had been transferred during the current year to the Investor Education and Protection Fund established by the Central Government.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of Section 73 of the Companies Act, 2013 during the financial year under review.

PARTICULARS OF EMPLOYEES

Sun TV Network Limited had 1906 employees as of 31st March 2016 (previously 2005). In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the required information is annexed and forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Directors Report is being sent to all the Shareholders of the Company excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year to which this financial statements relate to and the date of this Report.

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

(A) CONSERVATION OF ENERGY

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

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Crores)

PARTICULARS	31 st March 2016	31 st March 2015
Foreign Exchange Earnings	144.18	148.85
Foreign Exchange Outgo	49.94	60.86

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 Regulation 17(8) of the Listing Regulations, which forms part of the report.

APPRECIATION AND ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their deep appreciation of the dedication, hard work, solidarity, co-operation, support and commitment of employees at all levels in maintaining the sustained growth of your Company and remain in the forefront of media and entertainment business.

Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments mainly the Ministry of Information and Broadcasting and the Department of Telecommunication and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors, service providers as well as regulatory and governmental authorities and stock exchanges, for their continued support.

On behalf of the Board

Place: Chennai
Date: July 8, 2016

Kalanithi Maran
Chairman

ANNEXURE - I

1. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

2. EXTRACT OF ANNUAL RETURN

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

3. NUMBER OF MEETINGS OF THE BOARD

During the financial year, seven Board Meetings were held. The details of meetings are furnished in the Corporate Governance Report. The intervening gap between the meetings did not exceed one hundred and twenty days.

4. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

5. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

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

6. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

8. INTERNAL CONTROL

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

ANNEXURE - I**9. RISK MANAGEMENT**

As per the provisions of Section 134 of the Companies Act, 2013 and Regulation 21 of the Listing Regulations, the Board has constituted a Risk Management Committee comprising of Independent Directors. The Risk Management is overseen by the Risk Management Committee of the Company on a continuous basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board's Report.

10. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

11. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of policy are explained in the Corporate Governance Report.

12. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

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

13. INDEPENDENT DIRECTORS' MEETING

As per Regulation 25 of the Listing Regulations, a separate meeting of Independent Directors was held during the financial year. The detailed information is given in the Corporate Governance Report.

14. BOARD EVALUATION

In terms of applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out a formal annual evaluation of its own performance, the directors individually as well as the functioning of its committees. A detailed explanation has been given in the Corporate Governance Report.

15. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted an Anti-Sexual Harassment policy in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review no complaints on sexual harassment were received.

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

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

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

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

The CSR Policy of the Company can be viewed on www.suntv.in

2. Composition of the CSR Committee

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

3. Average net profit of the company for the last three financial years – Rs.1,068.49 Crore

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

The Company is required to spend Rs. 21.37 Crore towards CSR.

5. Details of CSR spend during the financial year:

- Total amount to be spent for the financial year – Rs. 21.37 Crore
- Amount unspent, if any – Rs. 11.77 Crore
- Manner in which the amount spent during the financial year is detailed below :

(Rs. in Crores)

S.No	Projects/Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount spent on the project or programs	Cumulative Expenditure upto the reporting periods	Amount spent : Direct or through implementing agency
1.	Chief Minister's Relief Fund	Relief for flood affected people	Chennai	-	5.00	5.00	Direct
2.	Education to poor children	Promoting Education	Across India	-	4.55	4.55	Through Trust - Sun Foundation
3.	Others	Relief for flood affected people	Chennai	-	0.05	0.05	Direct
	Total				9.60	9.60	

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

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

K. Vijaykumar
Chairman of CSR Committee

Nicholas Martin Paul
Director

ANNEXURE III
FORM MGT - 9 : EXTRACT OF ANNUAL RETURN

As on the financial year ended 31/03/2016
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L22110TN1985PLC012491
Registration Date	18/12/1985
Name of the Company	Sun TV Network Limited
Category/Sub - Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered Office and Contact details	Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028. Ph - 91 44 44676767
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot Number 31 & 32, Financial District, Gachibowli, Hyderabad – 500 032. Ph - (040) 23420815

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and address of the company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kal Radio Limited Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028	U92131TN2005PLC057755	Subsidiary	97.78 %	2(87)
2.	South Asia FM Limited Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600028	U92131TN2005PLC057987	Subsidiary	59.44 %	2(87)

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

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

1) *Category-wise Share Holding:*

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

ANNEXURE III
FORM MGT - 9 : EXTRACT OF ANNUAL RETURN

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

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	39,25,105	-	39,25,105	1.00	1,19,13,312	-	1,19,13,312	3.02	2.02
(b) Banks/FI	3576	-	3576	0.00	33503	-	33503	0.01	0.01
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	25,000	-	25,000	0.01	-	-	-	-	(0.01)
(g) FIs	7,46,47,477	-	7,46,47,477	18.94	6,57,76,065	-	6,57,76,065	16.69	(2.25)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	7,86,01,158	-	7,86,01,158	19.95	7,77,22,880	-	7,77,22,880	19.72	(0.23)

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the Year	
	Demat	Physical	Total	Demat	Physical	Total		% of Total Shares
(2)								
a) Bodies Corporate								
i. Indian	3,03,039		3,03,039	16,71,410		16,71,410	0.42	
ii. Overseas							(0.34)	
(a) individuals								
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	18,17,738	497	18,18,235	3,00,95,503	507	30,10,010	0.77	
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,75,02,805	-	1,75,02,805	1,57,19,782	-	1,57,19,782	3.99	
NRIs	217460	-	217460	2,60,456	-	2,60,456	0.07	
Clearing								
Members	78466	-	78466	135118	-	135118	0.03	
Trust	-	-	-	1507	-	1507	0.00	
Sub-Total (B)(2) Total Public Shareholding = (B) (1) + (B) (2)	1,99,19,508	497	1,99,20,005	2,07,97,776	507	2,07,98,283	5.28	
C. Shares held by custodian for GDRs & ADRs	9,85,20,666	497	9,85,21,163	9,85,20,656	507	9,85,21,163	25.00	
Grand Total (A+B+C)	39,40,84,123	497	39,40,84,620	39,40,84,113	507	39,40,84,620	100.00	
							100.00	
							0.23	
							NIL	
							NIL	

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters:

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Kalanithi Maran	29,55,63,457	75.00	10.11	29,55,63,457	75.00	5.02	NIL
	Total	29,55,63,457	75.00	10.11	29,55,63,457	75.00	5.02	NIL

(iii) Change in Promoters' Shareholding:

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

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Dvi Fund Mauritius Ltd	1,03,45,290	2.63	1,52,02,584	3.86
2.	Selvam Selvi	69,84,844	1.77	69,84,844	1.77
3.	Government Pension Fund Global	64,41,952	1.63	64,41,952	1.63
4.	East Bridge Capital Master Fund Limited	0	0.00	57,19,129	1.45
5.	Hermes Investment Funds PLC	56,74,974	1.44	0	0.00
6.	Route One Fund I, L.P	53,92,642	1.37	0	0.00
7.	Route One Offshore Master Fund L.P.	5299438	1.34	0	0.00
8.	HDFC Trustee Company Limited-HDFC Equity Fund	0	0.00	44,46,000	1.13
9.	Morgan Stanley Asia (Singapore) PTE.	37,30,599	0.95	6,15,372	0.16
10.	Ashoka Pte Ltd	10,80,969	0.27	34,91,930	0.89
11.	Cisa Global Markets Pte. Ltd.	0	0.00	33,80,275	0.86
12.	Copthall Mauritius Investment Limited	29,30,811	0.74	2,87,516	0.07
13.	Hdfc Trustee Company Limited - Hdfc Top 200 Fund	0	0.00	26,48,000	0.67
14.	Baron Emerging Markets Fund	22,00,000	0.56	25,00,000	0.63

Note:

The shares of the Company are substantially held in dematerialized form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.

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

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

**ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN**

V. INDEBTEDNESS:

There was no indebtedness in the form of Secured loans, Unsecured loans or Deposits during the financial year ended 31st March, 2016.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors:**

(Rs. in Crores)

S. No.	Particulars of Remuneration	Name of MD / WTD			Total Amount
		Mr. Kalanithi Maran	Mrs. Kavery Kalanithi	Mr. K. Vijaykumar	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.14	13.14	0.82	27.10
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961*	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Ex-gratia / Bonus	58.33	58.32	0.26	116.91
5	Others, please specify	-	-	-	-
Total (A)		71.47	71.46	1.08	144.01
Ceiling as per the Act		Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.			144.01

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

ANNEXURE III
FORM MGT - 9: EXTRACT OF ANNUAL RETURN

B. Remuneration to other Directors:

(Rs. in Crores)

S.No	Name of Directors	Sitting Fees	Commission	Others	Total
1.	Independent Directors				
	Mr. J. Ravindran	0.0162	-	-	0.0162
	Mr. M.K. Harinarayanan	0.0162	-	-	0.0162
	Mr. Nicholas Martin Paul	0.0176	-	-	0.0176
	Mr. R. Ravivenkatesh	0.0162	-	-	0.0162
	Total (1)	0.0662	-	-	0.0662
2.	Non Executive Directors				
	Mr. S. Selvam	0.0050	-	-	0.0050
	Total (2)	0.0050	-	-	0.0050
	Grand Total	0.0712	-	-	0.0712
	Overall Ceiling as per the Act	Not Applicable			

C. Remuneration to other Directors / Key Managerial Personnel other than MD/WTD:

(Rs. in Crores)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross Salary			
	(a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	0.20	0.81	1.01
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as a % of profit	-	-	-
5	Others, please specify	-	-	-
Total	(A)	0.20	0.81	1.01

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2016.

**ANNEXURE - IV
FORM AOC – 2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis – NIL

Place : Chennai
Date : July 8, 2016

On behalf of the Board

**Kalanithi Maran
Chairman**

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**ANNEXURE - V
FORM AOC - 1**

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

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

Part "A": Subsidiaries

(All amounts are in Crores of Indian Rupees)

S. No.	Particulars	Name of the Subsidiaries	
		Kal Radio Limited	South Asia FM Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
3.	Share Capital	176.94	615.36
4.	Reserves & Surplus	19.56	(7.36)
5.	Total Assets	215.76	635.06
6.	Total Liabilities	215.76	635.06
7.	Investments	13.11	311.84
8.	Turnover	79.93	89.86
9.	Profit before taxation	34.24	30.91
10.	Provision for taxation	12.24	-
11.	Profit after taxation	22.00	30.91
12.	Proposed Dividend	-	-
13.	% of Shareholding	97.78 %	59.44%

Part "B": Associates and Joint Ventures

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

NIL

ANNEXURE - VI

**FORM MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

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

**To
The Members,
Sun TV Network Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sun TV Network Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions as applicable to the Company during the period of audit:

- i. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition a) of Insider Trading Regulations, 2015) Applicable with effect from 15 May, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

ANNEXURE - VI SECRETARIAL AUDIT REPORT

vi. Specific laws applicable as mentioned hereunder:

1. Uplinking / downlinking policy/guidelines issued by Ministry of Information and Broadcasting;
2. The Cable Television Network (Regulations) Act, 1995 and rules framed thereunder;
3. Intellectual Property Rights related laws;
4. Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013 issued by Telecom Regulatory Authority of India; and
5. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012

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

- a. The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1 December, 2015).
- b. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India applicable with effect from 1 July 2015.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except for the below,

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

MANAGEMENT RESPONSIBILITY:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**ANNEXURE - VI
SECRETARIAL AUDIT REPORT**

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

- a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

We further report that:

The Board of Directors of the Company is well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

- There is an increase in investment in Subsidiary, South Asia FM Limited to the extent of Rs.157.8 Crores.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian
Senior Partner
FCS No. 3534
C.P.NO. 1087

Place: Chennai
Date: July 8, 2016

ANNEXURE - VII REMUNERATION POLICY

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

Objective and purpose:

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

Definitions:

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

"Key Managerial Personnel" means:

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

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

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

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

**ANNEXURE VII
REMUNERATION POLICY**

TERM / TENURE

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

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

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

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

EVALUATION

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

REMOVAL

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

RETIREMENT

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

ANNEXURE VII REMUNERATION POLICY

2) Remuneration to Non- Executive / Independent Directors:

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

3. Remuneration to Key Managerial Personnel and Senior Management:

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

IMPLEMENTATION

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

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

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

INDUSTRY

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Maintaining its resilience to the world, the Indian M&E industry is on the strong phase of growth, backed by rising consumer demand and improving advertising revenues. The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people. The development of payment technologies, increased penetration of mobile phones, growth of video and audio streaming platforms and the much anticipated wide rollout of 4G services began last year and promised to gather pace in 2016. The emergence of the "Networked Society" is re-shaping all industries and empowering the consumer like never before. Mobility, broadband and cloud are the primary enablers of change where 15 billion connected; video enabled devices by 2020 will drive an appetite for video that will create unprecedented challenges and opportunities. In consideration of this strong growth the Indian Government took various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, the granting of industry status to the film industry for easy access to institutional finance and the announcement of Digital India programme which transformed India into a digitally empowered society and knowledge economy.

Television industry continued to perform well, led by the General Entertainment Channels (GEC). The year 2015 saw the launch of several new channels and the introduction of new TV audience measurement system from BARC (Broadcast Audience Research Council) India. BARC has started with a sample of 22,000 homes and will gradually increase it to 50,000 over the next few years further improving the quality of data. Accordingly, the rural data was rolled out in October, 2015 which helped the broadcasters as well as the advertisers to have insights into the hitherto unknown rural market. The implementation of the viewership measurement system by BARC, is likely to impact the way advertising spend is allocated among different genres and channels, due to inclusion of new markets and increase in sample size.

Radio continued its strong run with a 15.3 per cent growth in 2015. Following the new stations licensed in Phase 3 and consolidation in the industry, Radio is transforming from a 'coverage' media to a 'reach' platform. Major radio stations have been operating at high ad inventory utilisation levels and this coupled with the growing advertiser interest has enabled increase in ad rates. Release of additional inventory from launch of new stations will stabilise rates but result in continued advertisement inventory pick up.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

Sun TV is the most watched channel in India today and it is the largest in South India by penetration, viewership & ad revenues. It airs assortment of fiction and non-fiction content mixed with movies across channels. Sun TV Network Limited (Sun Network) maintains its dominant position in the southern states of India as one of the largest television and radio entertainment Company in India with a portfolio of Satellite Television Channels spread across four languages and in genres of GEC, news, music, action, life, movies, kids and comedy. Sun Network also has a large network pan India in the FM Radio broadcasting segment along with its subsidiaries. Sun Network continues to consolidate its leadership position, built over the years, by fortifying its hold over key aspects of pricing and access to quality content. Sun Network is one of the first Regional GE channels in country to adopt HD and it also forged early partnerships with OEMs to pre-load Sun TV app on their devices.

OPPORTUNITIES AND THREATS

Opportunities:

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

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

Threats:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

SEGMENT

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

OUTLOOK

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

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

FINANCE AND HUMAN RESOURCE**Finance:**

The Total Income for the year ended 31st March 2016 was Rs. 2,493.30 crores as against Rs. 2,331.45 crores during the previous year ended 31st March 2015. Profit Before Tax after extraordinary items was Rs. 1,330.50 crores as against Rs. 1,111.99 crores in the previous year. Profit After Tax after extraordinary items was Rs. 867.25 crores as against Rs. 737.23 crores in the previous year. During the financial year ended 31st March 2016, the Board of Directors has declared the Interim Dividends of Rs. 6.00/- per equity share (120%), Rs. 2.00/- per equity share (40%) and Rs. 7.50/- per equity share (150%) declared at the Board Meetings held on April 30, 2015, February 12, 2016 and March 14, 2016 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2016. (Prev. Year of 225%, i.e., Rs 11.25/- per equity share of face value of Rs.5.00/- each). The Reserve and surplus of the Company as on 31st March 2016 stood at Rs. 3,314.73 crores as against Rs. 3,182.66 crores as on 31st March 2015.

Human Resources:

At Sun Network, with 1906 employees, human resource is a key asset capital and an important business driver for the Company's sustained growth and profitability. Hence, we at Sun Network believe that training, like all organizational development processes cannot be a function of time, but rather an ongoing process with the developmental needs and business planning processes being formalized constantly. A continuous review of the monitoring process is underway and procedures and systems are being institutionalized across the organization.

FINANCIAL REVIEW & RISK MANAGEMENT (INCLUDING INTERNAL CONTROL)

Separate report on this is annexed.

On behalf of the Board

Place: Chennai
Date: July 8, 2016

K. Vijaykumar
Managing Director &
Chief Executive Officer

FINANCIAL REVIEW 2015-16
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

1. EARNINGS

Total Income

The Total Income for the year ended 31st March 2016 was up by 6.94% at Rs. 2,493.30 crores as against Rs. 2,331.45 crores during the previous year ended 31st March 2015. 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 after extraordinary items was up by 19.65% at Rs. 1,330.50 crores as against Rs. 1,111.99 crores in the previous year. Profit After Tax after extraordinary items was up by 17.64% at Rs. 867.25 crores as against Rs. 737.23 crores in the previous year..

Dividend

The outgo on account of interim dividend including dividend tax is Rs. 735.18 crores (previous year Rs. 529.33 crores).

2. FINANCIAL POSITION

Shareholder's Funds

Shareholders' Fund as on 31st March 2016 was Rs. 3,511.77 crores (previous year Rs. 3,379.70 crores).

Loan funds

The Company is debt free and had no loan funds – secured or unsecured as on 31st March 2016 (previous year Rs. Nil).

Assets

Net block of fixed assets were at Rs. 437.83 crores. The addition to fixed assets for the year was Rs. 38.69 crores. The capital expenditure was funded through internal accruals. Net block of intangible assets and capital work in progress as on 31st March 2016 were at Rs. 386.17 crores and Rs. 0.57 crores respectively.

3. RATIOS

Earnings per share

The Earnings per share of face value of Rs.5.00 after extraordinary items for the year ended 31st March 2016 is Rs. 22.01 (previous year Rs. 18.71).

4. RISK ANALYSIS AND MANAGEMENT

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

PRINCIPAL RISKS AND THEIR MITIGATION

STRATEGIC RISK

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

FINANCIAL REVIEW 2015-16

(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

The media industry in India has been continuously fraught with regulatory issues including those of license, investment caps and ownership limits. Regulations such as ban on multi frequency ownership in the same city for Radio, FDI Cap of 49% in broadcasting, no dubbing of content (Kannada Market) are some of the regulations holding this industry back. Although Sun Network has performed well in spite of these adversities, further regulatory changes always remain a concern.

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

FINANCIAL RISK

Treasury Investments Risk

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

Risk Mitigation

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

Leverage Risk

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

FINANCIAL REVIEW 2015-16
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

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 non-compliance with statutory requirements.

Risk Mitigation

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

Compliance failure risk

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

Risk mitigation

At Sun Network statutory compliance has been ensured through an internal process and legal compliance is given due importance in the Company's management process.

5. INTERNAL CONTROL

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

Risk mitigation

The Company has in place systems and processes, commensurate with its size and nature of business so as to ensure adequate internal control while ensuring smooth conduct of operations and compliance with statutory requirements under all applicable legislations. The Company has implemented SAP ERP system, which ensures significant automation of processes, with sufficient IT system controls in place. Independent internal audit is carried out to ensure adequacy of internal control system and adherence to policies and practices. The Audit Committee reviews the functioning of the internal audit function.

Cautionary Statement

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

On behalf of the Board

Place: Chennai
Date: July 8, 2016

K. Vijaykumar
Managing Director & Chief Executive Officer

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

• Composition

The Board of Directors of our Company consists 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations hereinafter referred to as "Listing Regulations". 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

Seven Board Meetings were held during the financial year 2015-16. The maximum gap between any two meetings did not exceed one hundred and twenty days as stipulated under Regulation 17(2) of the Listing Regulations.

The dates on which the said meetings held are as follows:

30th April 2015, 29th May 2015, 31st July 2015, 28th October 2015, 5th November 2015, 12th February 2016 and 14th March 2016.

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

Name of the Director	Category	Attendance		No. of Directorships in public limited companies (including this company*)	Committee Chairmanship/ Memberships (including this Company*)	
		Board	AGM		Chairman	Member
Mr. Kalanithi Maran	Executive Chairman	4	Yes	1	Nil	Nil
Mrs. Kavery Kalanithi	Executive Director	5	Yes	1	Nil	Nil
Mr. K. Vijaykumar	Managing Director	6	Yes	2	Nil	1
Mr. S. Selvam	Director	7	Yes	1	Nil	Nil
Mr. J. Ravindran	Independent Director	7	No	3	3	4
Mr. M.K. Harinarayanan	Independent Director	7	Yes	1	1	2
Mr. Nicholas Martin Paul	Independent Director	4	Yes	1	Nil	2
Mr. R. Ravivenkatesh	Independent Director	7	Yes	1	Nil	2

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

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

None of the Directors of the Company are related inter-se except for Mrs. Kavery Kalanithi, who is the wife of Mr. Kalanithi Maran, Executive Chairman of the Company.

The Board has been provided with all material and substantial information as mentioned in Schedule II of Part A of the SEBI Listing Regulations, that facilitates them for imparting significant decisions while discharging its duties as trustees of shareholders.

- **Familiarisation Programme For Independent Directors**

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

- **Performance Evaluation**

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

POLICIES

The Board of Directors of the Company has in compliance with the requirements of Listing Agreement with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 approved the following policies.

- **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.

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- **Prevention of Insider Trading**

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, our Company has adopted a Code of Conduct for prevention of Insider Trading and a policy for Fair Disclosure of Unpublished Price Sensitive Information. 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:**

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, Committees and General meetings (SS - 1) and (SS - 2) stipulated by The Institute of Company Secretaries of India.

- **Vigil Mechanism / Whistle Blower Policy**

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

- **Related Party Transaction Policy**

In compliance with Regulation 23 of the Listing Regulations, the Board of Directors of the Company has approved Related Party Transaction Policy (Policy can be viewed on www.suntv.in) to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company.

3. **Audit Committee**

- **Composition, Names of Members and Chairman**

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

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

- **Meetings and the attendance during the year**

Four meetings of the Audit Committee were held during the year 29th May 2015 31st July 2015, 27th October 2015 and 12th February 2016.

Name of the Director	No. of Meetings attended
Mr. J. Ravindran	4
Mr. M.K. Harinarayanan	4
Mr. Nicholas Martin Paul	1
Mr. R. Ravivenkatesh	4

REPORT ON CORPORATE GOVERNANCE
((Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- **Brief description of terms of reference**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Regulation 18 of the SEBI Listing Regulations as well as in Section 177 of the Companies Act, 2013. The role of Audit Committee is as prescribed under Part C of Schedule II of the Listing Regulations.

- **4. Nomination and Remuneration Committee**

- **Composition, Names of Members and Chairman**

In line with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Board has constituted the Nomination and Remuneration Committee.

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

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

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

- **Meetings and the attendance during the year**

This Committee comprises of entirely of Independent Directors. The Committee met on 29th May 2015 and 5th November 2015.

Name of the Director	Category	No. of Meetings attended
Mr. J. Ravindran	Chairman	2
Mr. M.K. Harinarayanan	Member	2
Mr. Nicholas Martin Paul	Member	1
Mr. R. Ravivenkatesh	Member	2

- **Brief description of terms of reference**

The terms of reference of Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013. The role of the Nomination and Remuneration Committee is as prescribed under Part D of the Schedule II of the Listing Regulations.

- **Remuneration Policy**

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

REPORT ON CORPORATE GOVERNANCE*((Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015))*

- **Remuneration to Directors**

The Remuneration paid to the Executive Chairman for the year ended 31st March 2016 is as follows:
(Rs. in Crore)

Salary	13.14
Perquisites and other allowances*	-
Ex - gratia / Bonus	58.33
Total	71.47

*Perquisites amounted to Rs. 39,600/-

The Remuneration paid/payable to the Managing Director and Chief Executive Officer for the year ended 31st March 2016 is as follows:
(Rs. in Crore)

Salary	0.82
Perquisites and other allowances*	-
Ex - gratia / Bonus	0.26
Total	1.08

*Perquisites amounted to Rs. 10,800/-

The Remuneration paid/payable to the Executive Director for the year ended 31st March 2016 is as follows:
(Rs. in Crore)

Salary	13.14
Perquisites and other allowances*	-
Ex - gratia / Bonus	58.32
Total	71.46

*Perquisites amounted to Rs. 39,600/-

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REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

The Remuneration paid / payable to Non-Executive Directors for the year ended 31st March 2016 is as follows:

	(Rs. in Crore)
Name of the Director	Sitting fee*
Mr. S. Selvam	0.005
Mr. J. Ravindran	0.0162
Mr. M.K. Harinarayanan	0.0162
Mr. Nicholas Martin Paul	0.0176
Mr. R. Ravivenkatesh	0.0162

*Includes sitting fee paid for attending Committee Meetings.

The sitting fee payable to a Non Executive Directors for attending the Board and Committee Meetings has been fixed at Rs. 20,000/- respectively.

(** Increased from Rs. 2,000 to Rs. 20,000 w.e.f 1st December, 2015)

5. Stakeholders' Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has constituted Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee is functioning to look into Redressal of Investor / Shareholders complaints expeditiously. The Committee has delegated the power of approving requests for transfer, transmission, rematerialization and dematerialization etc of shares of the Company to the Registrar and Share Transfer Agent. The Stakeholders' Relationship Committee Comprises of Mr. M.K. Harinarayanan, Chairman, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as members.

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

The Committee met 4 occasions during the year on 29th May 2015, 31st July 2015, 28th October 2015 and 12th February 2016. 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. Nicholas Martin Paul	1
Mr. R. Ravivenkatesh	4

During the year, the Company received 68 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 31st March, 2016

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

6. Corporate Social Responsibility Committee

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

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

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

The Committee met on 14th March 2016. The names and attendance of Committee members are given below:

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

7. Risk Management Committee

In compliance with Section 134 of the Companies Act, 2013 and Regulation 21 of the Listing Regulations, the Board has constituted Risk Management Committee.

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

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

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

The Committee met on 12th February 2016. The names and attendance of Committee members are given below:

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

8. Independent Directors' Meeting

During the year, meeting of Independent Directors was held on 12th February, 2016 inter alia, to discuss:

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

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

9. General Meetings

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

Year	Meeting	Location	Date	Time
2014 - 15	AGM	"Kalaingar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	25.09.2015	10.00 am
2013 - 14	AGM	"Kalaingar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	26.09.2014	10.00 am
2012 - 13	AGM	"Kalaingar Arangam", Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	27.09.2013	10.00 am

Special Resolution passed in the previous Three Annual General Meetings
NIL

10. Subsidiary Companies

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

11. Disclosures

- 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. 15 of this report.

12. 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

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

13. Management Discussions and Analysis Report

Management Discussion and Analysis report is annexed.

14. Shareholders Information

The details are enclosed elsewhere in the report.

15. Non Mandatory Requirements

1. The Board – Chairman’s Office

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

2. Shareholders Rights

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

3. Audit Qualification

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

GENERAL SHAREHOLDERS INFORMATION

• **Registered Office of the Company**

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

• **Forthcoming Annual General Meeting**

23rd September 2016
“Kalaigñar Arangam”, Anna Arivalayam
367/369, Anna Salai, Teynampet, Chennai – 600 018

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- **Financial Year**

1st April 2015 to 31st March 2016.

- **Book Closure Dates**

From 16th September, 2016 to 23rd September, 2016 (both days inclusive)

- **Dividend**

During the financial year ended 31st March 2016, the Board of Directors has declared the Interim Dividends of Rs. 6.00/- per equity share (120%), Rs. 2.00/- per equity share (40%) and Rs. 7.50/- per equity share (150%) declared at the Board Meetings held on April 30, 2015, February 12, 2016 and March 14, 2016 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs.5.00/- each for the financial year ended 31st March 2016. (Prev. Year of 225%, i.e., Rs 11.25/- per equity share of face value of Rs.5.00/- each). The Payout ratio currently stands at 84.77%.

- **Unclaimed Dividend**

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

Instruction to Shareholders

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

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

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

- **Depositories Connectivity**

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

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- **Share Transfer Process**

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

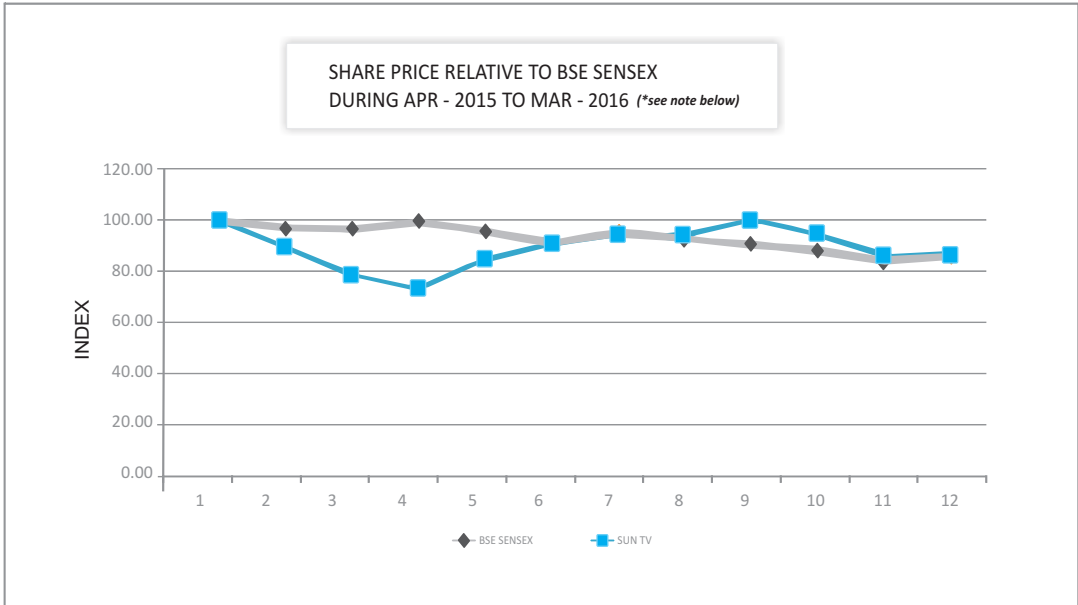
- **Market Price Data & Performance in Comparison with BSE and NSE Indices**

- **Market Price Data**

Month	B.S.E			N.S.E		
	High	Low	Traded Volume (No. of shares)	High	Low	Traded Volume (No. of shares)
Apr-15	456.95	345.50	14,48,802	459.00	345.00	2,02,97,860
May-15	389.45	337.55	10,77,463	389.00	337.00	1,03,21,971
Jun-15	385.00	258.00	1,04,57,140	386.00	257.00	7,79,08,796
Jul-15	345.30	256.05	81,58,089	346.00	256.00	6,53,40,923
Aug-15	398.00	292.75	1,12,84,964	398.00	293.00	6,39,08,338
Sep-15	398.65	335.40	75,28,319	399.00	335.00	4,00,63,575
Oct-15	411.30	350.00	36,41,040	413.00	350.00	2,37,55,375
Nov-15	406.95	354.00	23,02,949	408.00	357.00	2,04,40,502
Dec-15	431.90	372.00	16,38,382	432.00	373.00	2,12,55,676
Jan-16	436.00	327.00	17,47,433	436.00	326.00	2,02,31,328
Feb-16	384.40	312.00	16,32,205	384.00	314.00	1,75,79,649
Mar-16	380.95	319.30	13,38,592	381.00	321.00	1,48,57,810

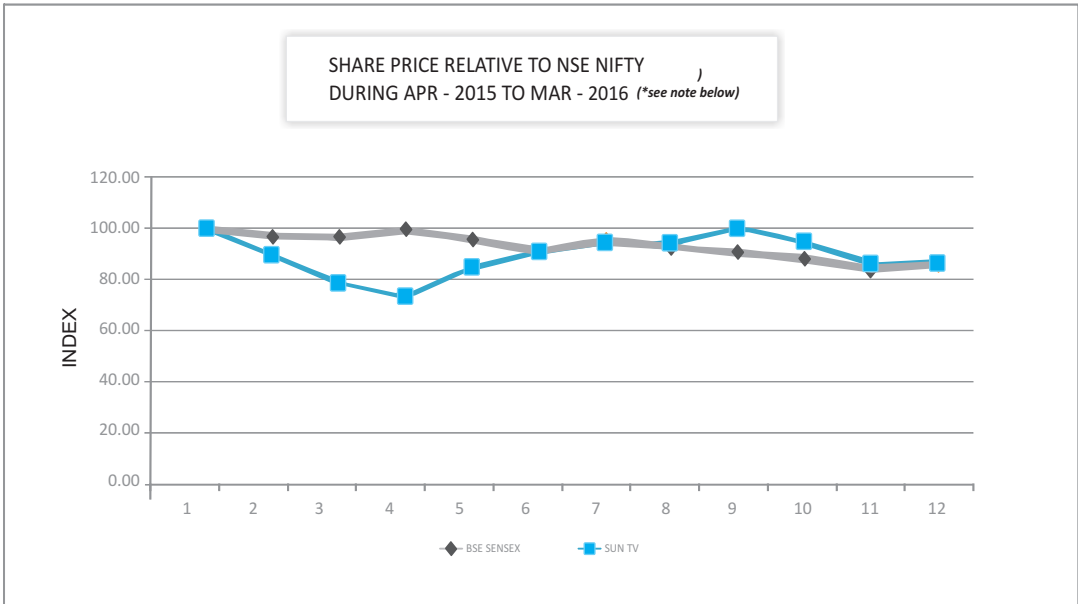
REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- Performance in comparison with BSE SENSEX**



* The closing value for April is taken as 100. The values, for the months, from April' 15 to Mar' 16, are worked out as a percentage, keeping the Base Value for Apr' 15 as 100.

- Performance in comparison with NSE NIFTY**



* The closing value for April is taken as 100. The values for the months, from April' 15 to Mar' 16, are worked out as a percentage, keeping the Base Value for Apr' 15 as 100.

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

Shareholding pattern/ Distribution

♦ **Shareholding pattern as on 31st March 2016**

Category	% to total Capital
Promoter Group	75.00
Financial Institutions / Bank	0.01
Non Residents (NRI / OCB / FIIs)	16.76
Mutual Funds	3.02
Others	5.21
Total	100.00

♦ **Distribution of Shareholding as on 31st March 2016**

Category	No. of Holders	% to total	No. of Shares	% to total
1-10,000	31936	99.34	32,47,606	0.82
Above 10,000	212	0.66	39,08,37,014	99.18
Total	32,148	100.00	39,40,84,620	100.00

♦ **Summary of Shareholding as on 31st March 2016**

Category	No. of Holders	Total Shares	% to Equity
Physical	164	507	0.00
NSDL	23,429	39,21,09,707	99.50
CDSL	8,555	19,74,406	0.50
Total	32,148	39,40,84,620	100.00

♦ **Dematerialization of Shares**

1. The Company has signed agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form.
2. A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
3. As on 31st March 2016, 39,40,84,113 equity shares constituting 99.99% of the total paid up capital of the company have been dematerialized. All the equity shares except the locked in shares if any are freely tradable.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

- ♦ **Outstanding GDRs / ADRs etc.**

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

- ♦ **Address for correspondence**

- ♦ **Compliance Officer**

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

- ♦ **Registrars and Share Transfer Agent**

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot Number 31 & 32, Financial District,
Gachibowli, Hyderabad – 500 032
Tel: (040) 23420815 Fax: (040) 23420814
Email: mailmanager@karvy.com
www.karvycomputershare.com

On behalf of the Board

Place: Chennai
Date: July 8, 2016

K. Vijaykumar
Managing Director &
Chief Executive Officer

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REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

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 ("the Company"), for the financial year ended on March 31, 2016, as stipulated under Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

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 / Listing Regulations, as applicable.

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

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration number: 101049W/E300004

Per Aniruddh Sankaran
Partner
Membership No.: 211107

Chennai
July 8, 2016

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 2016, as envisaged in Regulation 17 of the Listing Regulations with Stock Exchanges.

On behalf of the Board

Place: Chennai
Date: May 27, 2016

K. Vijaykumar
Managing Director &
Chief Executive Officer

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015)

The Board of Directors Sun TV Network Limited

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and to the best of knowledge and belief :
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - a. That there are no significant changes in internal control over financial reporting during the year;
 - b. That there are no significant changes in accounting policies during the year;
 - c. That there are no instances of significant fraud of which we have become aware.

K. Vijaykumar
Managing Director &
Chief Executive Officer

V.C. Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 27, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Sun TV Network Limited Report on the Financial Statements

We have audited the accompanying standalone financial statements of Sun TV Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to notes 41 and 42, regarding matters of material uncertainty in relation to assets of the company and investments in subsidiaries respectively. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

INDEPENDENT AUDITORS' REPORT

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 27, 2016

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Annexure to Auditors' Report

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

Re: Sun TV Network Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the Company. Also refer Note 42 to the financial statements in respect of provisional attachment of certain immovable properties of Company by the Enforcement Directorate, Ministry of Finance, Government of India which is sub judice at the Hon'ble Supreme Court of India.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company. The Company did not have any loans to directors including entities in which they are interested in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax, customs duty, cess, employees' state insurance and other material statutory dues applicable to it. The provisions relating to sales-tax, Excise duty and value added tax are not applicable to the Company.

Annexure to Auditors' Report (Continued)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs 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.
- (c) According to the records of the Company, the dues outstanding of income-tax, customs duty and service tax, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	308.78	FY 2004 – 05 to FY 2008 – 09	High Court of Madras
Income tax Act, 1961	Income Tax	114.97	FY 2006 – 07 to 2008-09 & FY 2012-13	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Differential Customs Duty	3.45	FY 2007– 08	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	1.66	May 2008 – September 2011	Customs, Excise and Service Tax Appellate Tribunal

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

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding debentures during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

Annexure to Auditors' Report (Continued)

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date : May 27, 2016

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**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF SUN TV NETWORK LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sun TV Network Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUN TV NETWORK LIMITED

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date: May 27, 2016

Balance Sheet as at March 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	Notes	March 31, 2016	March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	197.04	197.04
Reserves and surplus	4	3,314.73	3,182.66
		3,511.77	3,379.70
Non-current liabilities			
Deferred tax liability (net)	5	18.81	22.06
Other long-term liabilities	6	6.16	3.85
		24.97	25.91
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	38.26	37.46
Other Current liabilities	8	171.95	140.90
Short-term provisions	9	13.91	6.77
		224.12	185.13
TOTAL		3,760.86	3,590.74
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	437.83	714.50
Intangible assets	11	386.17	359.65
Capital work-in-progress		0.57	0.49
Non-current investments	12	620.20	462.40
Long-term loans and advances	13	124.24	249.21
		1,569.01	1,786.25
Current assets			
Current investments	14	209.83	231.16
Inventories	15	1.13	0.48
Trade receivables	16	746.69	683.53
Cash and bank balances	17	787.79	690.52
Short-term loans and advances	18	103.66	102.97
Other current assets	19	342.75	95.83
		2,191.85	1,804.49
TOTAL		3,760.86	3,590.74
Summary of significant accounting policies	2		

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the board of directors

per Aniruddh Sankaran
Partner
Membership No.: 211107

Kalanithi Maran
Chairman

K Vijaykumar
Managing Director &
Chief Executive Officer

Place : Chennai
Date : May 27, 2016

R. Ravi
Company Secretary

V C Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 27, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2016	March 31, 2015
Income			
Revenues from operations	20	2,403.98	2,243.62
Other income	21	89.32	87.83
Total revenue (I)		2,493.30	2,331.45
Expenses			
Costs of revenues	22	266.80	254.26
Employees' benefits expense	23	235.88	203.75
Other expenses	24	185.39	166.92
Advertisement and marketing expenses	25	7.43	4.48
Depreciation and amortization expense	26	483.16	587.83
Finance costs	27	2.11	2.22
Total (II)		1,180.77	1,219.46
Profit before extraordinary items and tax (I) - (II)		1,312.53	1,111.99
Extraordinary items (net)	28	17.97	-
Profit before tax after extraordinary items		1,330.50	1,111.99
Tax expenses			
Current tax		466.50	378.67
Deferred tax		(3.25)	(3.91)
Total tax expense		463.25	374.76
Profit after tax		867.25	737.23
Earnings per share information before extraordinary items:			
Net profit attributable to equity shareholders before extraordinary items		849.28	737.23
Weighted average number of equity shares outstanding		39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)		21.55	18.71
Nominal value of equity share (Rs.)		5.00	5.00
Earnings per share information after extraordinary items:			
Net profit attributable to equity shareholders after extraordinary items		867.25	737.23
Weighted average number of equity shares outstanding		39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)		22.01	18.71
Nominal value of equity share (Rs.)		5.00	5.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No.: 211107

Place : Chennai
Date : May 27, 2016

For and on behalf of the board of directors

Kalanithi Maran
Chairman

K Vijaykumar
Managing Director &
Chief Executive Officer

R. Ravi
Company Secretary

V C Unnikrishnan
Chief Financial Officer

Place : Chennai
Date : May 27, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Net profit before taxation	1,312.53	1,111.99
Adjustments to reconcile:		
Depreciation of tangible assets	71.41	79.58
Amortization of intangible assets	411.75	508.25
(Profit) / loss on sale of fixed assets, net	1.42	0.28
Translation loss /(gain) on monetary assets and liabilities, net	(1.11)	1.11
Provision for doubtful debts / movie advances and other assets	20.65	10.03
Provision for Litigations and Claims	1.08	1.01
Bad debts / input credit written off	2.95	-
Provision for FM Licenses Fees	2.05	-
Liabilities / provisions no longer required written back	(6.08)	(1.98)
Interest income	(61.22)	(64.33)
Dividend income / Net gain on sale of current investments	(11.47)	(13.43)
Interest expense	2.02	1.76
Operating profit before working capital changes	1,745.98	1,634.27
Movements in working capital :		
(Increase) / Decrease in trade receivables	(76.06)	(120.77)
(Increase) / Decrease in inventories	(0.65)	0.09
(Increase) / Decrease in other current assets	11.35	(10.58)
(Increase) / Decrease in loans and advances	(0.78)	(0.91)
Increase / (Decrease) in trade payables and other liabilities	38.99	16.05
Increase / (Decrease) in provisions	4.01	(1.32)
Cash generated from / (used in) operations	1,722.84	1,516.83
Direct taxes paid (net of refunds)	(455.04)	(376.10)
Net cash flow from / (used in) operating activities (A)	1267.80	1140.73
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances)	(37.84)	(27.90)
Purchase of intangible assets (including advances towards purchase of intangible assets)	(333.93)	(410.68)
Purchase of current investments	(685.34)	(491.87)
Redemption of current investments	706.67	475.01
Proceeds from sale of assets	0.50	1.12
Investment in Subsidiary	(157.80)	-
Term deposits placed with banks during the year	(642.11)	(603.75)
Term deposits refunded from banks during the year	649.23	482.70
Interest received	62.95	63.63
Dividend income / Net gain on sale of current investments	11.47	13.43
Net cash from / (used in) investing activities (B)	(426.20)	(498.31)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
Cash flows (used in) / from financing activities		
Loans availed	1,176.35	793.60
Loans repaid	(1,176.35)	(793.60)
Proposed dividends paid	-	(88.67)
Tax on proposed dividends paid	-	(15.07)
Interim dividends paid	(610.83)	(443.35)
Tax on interim dividends paid	(124.35)	(85.98)
Interest paid	(2.02)	(1.76)
Net cash (used in) / from financing activities (C)	(737.20)	(634.83)
Exchange differences on translation of foreign currency cash and cash equivalents (D)	(0.13)	(0.22)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	104.27	7.37
Cash and cash equivalents at the beginning of the year	41.29	33.92
Cash and cash equivalents at the end of the year	145.56	41.29

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	787.79	690.52
Less : Term deposits placed with banks	(642.23)	(649.23)

Cash and cash equivalents, end of year	145.56	41.29
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b) Components of cash and cash equivalents

Cash and cheques on hand	108.16	0.04
With banks - on current account	37.01	40.99
- on deposit account (unrestricted)	-	-
- on unpaid dividend accounts (restricted)*	0.39	0.26

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 27, 2016

For and on behalf of the board of directors

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &
Chief Executive Officer

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 27, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***1. Corporate Information**

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

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

2. Summary of significant accounting policies**a) Basis of preparation of financial statements**

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

b) Use of estimates

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

c) Tangible fixed assets and depreciationFixed assets

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

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, 2016

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

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

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

Depreciation

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

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

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

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

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

The gross block of plant and machinery as at March 31, 2016 includes cost of program production equipment of Rs. 122.14 crores (Previous Year Rs. 151.24 crores), post production equipment of Rs. 68.65 crores (Previous Year Rs. 68.52 crores), reception and distribution facilities of Rs. 156.53 crores (Previous Year Rs. 142.64 crores), computer and related equipment of Rs. 118.40 crores (Previous Year Rs. 108.79 crores) and aircraft of Rs. 295.15 crores (Previous Year Rs. 295.15 crores). The net block of plant and machinery as at March 31, 2016 includes the net block of program production equipment of Rs. 18.51 crores (Previous Year Rs. 19.20 crores), post production equipment of Rs. 14.74 crores (Previous Year Rs. 12.09 crores), reception and distribution facilities of Rs. 44.09 crores (Previous Year Rs. 46.24 crores), computer and related equipment of Rs. 19.36 crores (Previous Year Rs. 17.60 crores) and aircraft of Rs. Nil (Previous Year Rs. 255.18 crores).

d) Intangible assets and amortization

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

□ Computer software

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

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

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

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

□ Film production costs, distribution and related rights

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

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

□ Licenses

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

□ Goodwill

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

e) Impairment of tangible and intangible assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

f) Franchisee Fees

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

g) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

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

h) Revenue recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

- Income from Indian Premier League represents following:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

i) Retirement and other employee benefits

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

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

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

j) Income Taxes

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

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

k) Earnings per share

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

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

l) LeasesOperating leases (where the Company is the lessee)

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

Operating leases (where the Company is the lessor)

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

m) Cash and Cash equivalents

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

n) Foreign currency transactionsInitial recognition

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Conversion

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

Exchange differences

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

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

o) Provisions

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

p) Contingent liabilities

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

q) Segment reporting

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

The Company considers geographical segments as its secondary segment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

	March 31, 2016	March 31, 2015
3. Share capital		
Authorized shares		
45,00,00,000 equity shares of Rs 5/- each (March 31, 2015 - 45,00,00,000 of Rs. 5/- each)	225.00	225.00
Issued, subscribed and fully paid-up shares		
39,40,84,620 equity shares of Rs 5/- each (March 31, 2015 - 39,40,84,620 of Rs. 5/- each)	197.04	197.04
	197.04	197.04

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

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the year	39,40,84,620	197.04	39,40,84,620	197.04
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	39,40,84,620	197.04	39,40,84,620	197.04

b. Rights attached to equity shares

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

During the year ended March 31, 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 15.50/- share (March 31, 2015: Rs. 11.25/- share).

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

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

Equity shares of Rs. 5 each fully paid	March 31, 2016		March 31, 2015	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	29,55,63,457	75.00%	29,55,63,457	75.00%

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016	March 31, 2015
4 Reserves and surplus		
Securities premium account	471.82	471.82
General reserve		
Balance as per the last financial statements	483.80	483.80
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	483.80	483.80
Surplus in the statement of profit and loss		
Balance as per last financial statements	2,227.04	2,019.14
Profit for the year	867.25	737.23
Less: Appropriations		
Interim dividend [Rs 15.50/- per share (March 31, 2015: Rs 11.25- per share)]	(610.83)	(443.35)
Tax on interim dividend	(124.35)	(85.98)
Total appropriations	(735.18)	(529.33)
Net surplus in the statement of profit and loss	2,359.11	2,227.04
Total reserves and surplus	3,314.73	3,182.66
5 Deferred tax Liability (net)		
Gross Deferred tax Liability		
Tangible Assets and Intangible Assets		
- Impact of timing difference due to depreciation/ amortization	72.40	65.00
Gross deferred tax liability	72.40	65.00
Gross Deferred tax Asset		
- Provision for doubtful debts / Movie advances and other Assets	(46.95)	(38.72)
- Sec. 40(a)(ia) disallowances	(4.25)	(3.24)
- Others	(2.39)	(0.98)
Gross deferred tax asset	(53.59)	(42.94)
Net deferred tax liability	18.81	22.06
6 Other long-term liabilities		
Interest free deposits from customers	6.16	3.85
	6.16	3.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
7 Trade Payables		
Trade payables	38.26	37.46
<p>There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.</p>		
8 Other Current liabilities		
<p>Investor Education and Protection Fund will be credited by following amounts (as and when due)</p>		
- Unpaid dividend	0.39	0.26
Deferred revenues	3.93	4.08
Interest free deposits from customers	5.29	5.60
Advances from customers	21.46	20.50
Dues payable in respect of fixed assets	2.40	1.87
Directors' Remuneration payable	116.91	96.51
Employee benefits payable	13.97	6.69
Retention Money payable	0.48	0.49
Statutory dues	7.12	4.90
	171.95	140.90
9 Short Term Provisions		
Provision for employee benefits		
Provision for leave benefits	6.90	2.89
	6.90	2.89
Other provisions (Refer note 37)		
Provision for litigations and claims	4.96	3.88
Provision for FM license fees	2.05	-
	7.01	3.88
	13.91	6.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

10 Tangible assets

	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	Total
Gross Block								
At April 1, 2014	87.74	267.65	759.72	66.55	84.03	22.56	20.32	1,308.57
Additions	-	0.02	20.21	0.62	0.40	0.92	2.70	24.87
Disposals	(0.01)	-	(13.59)	(0.68)	-	-	(3.42)	(17.70)
At March 31, 2015	87.73	267.67	766.34	66.49	84.43	23.48	19.60	1,315.74
Additions	-	3.28	32.09	2.02	0.48	0.23	0.59	38.69
Disposals	-	-	(37.57)	-	(0.01)	-	(0.79)	(38.37)
At March 31, 2016	87.73	270.95	760.87	68.51	84.90	23.71	19.40	1,316.06
Depreciation								
At April 1, 2014	-	62.44	382.85	27.49	38.62	13.74	12.82	537.96
Charge for the year (Refer Note-26)	-	14.91	46.35	5.44	8.26	2.50	2.12	79.58
Disposals	-	-	(13.17)	(0.59)	-	-	(2.54)	(16.30)
At March 31, 2015	-	77.35	416.03	32.34	46.88	16.24	12.40	601.24
Charge for the year (Refer Note-26)	-	13.32	41.93	4.95	6.98	2.26	1.97	71.41
Disposals	-	-	(35.82)	-	(0.01)	-	(0.62)	(36.45)
At March 31, 2016	-	90.67	422.14	37.29	53.85	18.50	13.75	636.20
Impairment								
At April 1, 2014	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2015	-	-	-	-	-	-	-	-
Charge for the year (Refer Note 28)	-	-	242.03	-	-	-	-	242.03
Disposals	-	-	-	-	-	-	-	-
At March 31, 2016	-	-	242.03	-	-	-	-	242.03
Net Block								
At March 31, 2015	87.73	190.32	350.31	34.15	37.55	7.24	7.20	714.50
At March 31, 2016	87.73	180.28	96.70	31.22	31.04	5.21	5.65	437.83

*Note : Under certain arrangements between the Company and its Directors, the Company had, from time to time, made payments to vendors for the purpose of acquiring vehicles, which are registered in the names of those Directors. The terms of these arrangements provide for such vehicles to be maintained, operated and used exclusively by the Company for the purpose of its business. The original cost and net book value of such vehicles as at March 31, 2015, 2016 are Rs 5.27 crores and Rs 0.10 crores respectively (March 31, 2015 - Rs 5.27 crores and Rs 0.17 crores respectively).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(All amounts are in crores 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	Total
Gross Block						
At April 1, 2014	1,985.15	380.28	11.96	15.54	19.63	2,412.56
Additions	393.77	-	2.90	-	-	396.67
Disposals	(14.52)	-	-	-	-	(14.52)
At March 31, 2015	2,364.40	380.28	14.86	15.54	19.63	2,794.71
Additions	424.29	7.50	6.48	-	-	438.27
Disposals	(16.14)	-	-	-	-	(16.14)
At March 31, 2016	2,772.55	387.78	21.34	15.54	19.63	3,216.84
Amortization						
At April 1, 2014	1,512.05	380.28	11.11	13.86	19.63	1,936.93
Charge for the year (Refer Note-26)	505.17	-	1.40	1.68	-	508.25
Disposals	(14.52)	-	-	-	-	(14.52)
At March 31, 2015	2,002.70	380.28	12.51	15.54	19.63	2,430.66
Charge for the year (Refer Note-26)	401.96	7.50	2.29	-	-	411.75
Disposals	(16.14)	-	-	-	-	(16.14)
At March 31, 2016	2,388.52	387.78	14.80	15.54	19.63	2,826.27
Impairment						
At April 1, 2014	4.40	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At March 31, 2015	4.40	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At March 31, 2016	4.40	-	-	-	-	4.40
Net Block						
At March 31, 2015	357.30	-	2.35	-	-	359.65
At March 31, 2016	379.63	-	6.54	-	-	386.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
12 Non-current investments		
Long Term Investments (At cost) - Trade Equity instruments (Unquoted)		
-In Subsidiary Companies :		
12,13,05,000 (March 31, 2015 - 12,13,05,000) fully paid equity shares of Rs 10/- each in Kal Radio Limited	121.31	121.31
22,69,92,000 (March 31, 2015 - 14,80,92,000) fully paid equity shares of Rs 10/- each in South Asia FM Limited	305.89	148.09
 Preference shares (Unquoted)		
-In Subsidiary Companies :		
14,01,00,410 (March 31, 2015 - 14,01,00,410) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in South Asia FM Limited	140.10	140.10
5,28,80,000 (March 31, 2015 - 5,28,80,000) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in Kal Radio Limited	52.90	52.90
Total Unquoted Non current Investments	620.20	462.40
 13 Long term Loans and advances (Unsecured)		
Capital advances		
Considered good	59.07	172.66
Considered doubtful	26.58	18.22
	85.65	190.88
Provision for doubtful capital advances	(26.58)	(18.22)
	59.07	172.66
 Security deposit (Considered good)		
Rental and other deposits	5.77	5.56
Deposits with Government agencies	2.35	2.36
	8.12	7.92
 Other loans and advances (Considered good)		
Advance income-tax (net of provision for taxation)	56.59	68.05
Prepaid expenses	0.46	0.58
	57.05	68.63
Total	124.24	249.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
14 Current investments				
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
Quoted equity instruments				
City Union Bank Limited	6,04,628	0.41	6,04,628	0.41
Unquoted Mutual Funds				
HDFC FMP 1167D January 2016 (1)-Regular-Growth	1,00,32,777	10.03	-	-
HDFC FMP 1183D January 2016 (1)-Regular-Growth-Series-35	1,00,06,421	10.00	-	-
Reliance Fixed Horizon Fund-XXX-Series 2-Growth Plan	80,03,144	8.00	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	60,38,876	6.05	-	-
ICICI Prudential FMP Series 78-1190 Days Plan E Regular Plan Cumulative	60,00,000	6.00	-	-
Franklin India Corporate Bond Opportunities Fund-Growth	53,04,808	7.50	-	-
HDFC FMP 453D February 2014 (1) Series 29-Regular-Growth	52,76,064	5.28	52,76,064	5.28
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan	52,40,000	5.24	52,40,000	5.24
Franklin India Ultra Short Bond Fund-Super Institutional Plan-Growth	51,02,424	10.24	-	-
ICICI Prudential FMP Series 72-440 Days Plan L Direct Plan Cumulative	50,90,326	5.09	50,90,326	5.09
Sundaram Fixed Term Plan Hi Regular Growth	50,71,262	5.07	-	-
ICICI Prudential FMP Series 78-1168 Days Plan-I-Growth	50,15,595	5.02	-	-
HDFC FMP 372D Dec 2013 (1) Series 29-Regular-Growth	50,00,000	5.00	-	-
DSP BlackRock FMP-Series 150-13M-Reg-Growth	50,00,000	5.00	50,00,000	5.00
Birla Sun Life Fixed Term Plan -Series KR (1124days)-Gr. Regular (385days+739 days added)	50,00,000	5.00	-	-
UTI Fixed Term Income Fund Series XVIII-IV (1127 Days)-Growth Plan (366days+761days)	50,00,000	5.00	-	-
Kotak FMP Series 191-Growth	50,00,000	5.00	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	49,28,779	5.00	-	-
HDFC Short Term Plan-Growth	37,12,876	10.00	37,12,876	10.00
ICICI Prudential FMP Series 68-369 Days Plan 1 Regular Plan Cumulative	30,00,000	3.00	30,00,000	3.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
Birla Sun Life Fixed Term Plan-Series KI (1099days)-Gr.Regular (368days+731days add 02.03.15)	30,00,000	3.00	-	-
Reliance Regular Savings Fund-Debt Plan-Growth Plan-Growth Option	28,87,336	5.50	-	-
Reliance Dynamic Bond Fund-Growth Plan-Growth Option	26,40,613	5.00	26,40,613	5.00
Tata Short Term Bond Fund Regular Plan-Growth	26,35,816	7.00	-	-
Kotak FMP Series 190-Growth	25,00,000	2.50	-	-
DHFL Pramerica Short Maturity Fund-Growth	21,90,382	5.48	-	-
Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan	20,22,637	5.00	-	-
DHFL Pramerica Short Maturity Fund-Growth	19,96,614	5.00	-	-
Reliance Short Term Fund-Growth Plan-Growth Option	19,17,994	5.00	19,17,994	5.00
ICICI Prudential Short Term-Regular Plan-Growth Option	17,18,266	5.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	14,65,936	5.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	12,93,381	4.42	-	-
HDFC High Interest Fund-Short Term Plan-Growth	12,48,546	3.50	-	-
SBI Magnum Income Fund-Regular Plan-Growth	11,84,059	4.00	-	-
Birla Sun Life Treasury Optimizer Plan-Growth-Regular Plan	1,97,898	3.50	2,53,237	4.00
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	46,607	9.00	-	-
Axis Banking Debt Fund-Growth(BDGP)	36,547	5.00	1,96,203	25.00
UTI Treasury Advantage Fund-Institutional Plan (Daily Dividend Option)-Reinvestment	-	-	61,140	6.12
IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend	-	-	33,90,087	3.47
HDFC High Interest Fund-Short Term Plan-Dividend	-	-	31,64,683	3.37
Axis Short Term Fund-Institutional Regular Dividend Reinvestment	-	-	43,82,576	4.45
Templeton India Low Duration Fund-Monthly Dividend Reinvestment	-	-	93,19,116	9.63
HDFC FMP 372D Dec 2013-1-Regular-GR	-	-	50,00,000	5.00
Birla Sun Life Fixed Term Plan-Series KI (1099days)-Gr.Regular	-	-	30,00,000	3.00
IDFC Fixed Term Plan Series 77 Regular Plan -Growth (399 Days)	-	-	40,00,000	4.00
Birla Sun Life Fixed Term Plan -Series KR (385 days)-Gr. Regular	-	-	50,00,000	5.00
IDBI FMP-Series IV-387 Days (March 2014)-G Regular Plan-Growth -	-	-	20,00,000	2.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
UTI Fixed Term Income Fund Series XVIII-IV (366 Days)-Growth Plan	-	-	50,00,000	5.00
ICICI Prudential Banking & PSU Debt Fund-Weekly Dividend Reinvestment	-	-	2,10,71,513	21.46
Birla Sun Life Treasury Optimizer Plan-Monthly Dividend-Regular Plan-Reinvestment	-	-	7,15,923	7.33
IDFC Super Saver Income Fund-Short Term Plan- Monthly Dividend-(Regular Plan)	-	-	41,32,853	4.17
DWS Short Maturity Fund-Growth(Enam)	-	-	21,90,382	5.48
Reliance Money Manager Fund-Growth Plan-Growth Option	-	-	94,357	18.00
Baroda Poiner Liquid Fund-Plan A Growth	-	-	62,447	10.00
ICICI Prudential Liquid-Regular Plan-Growth	-	-	2,41,825	5.00
SBI-SHF-Ultra Short Term Debt Fund- Regular Plan-Daily Dividend	-	-	2	0.00
Reliance Fixed Horizon Fund-XXV-Series 19-Growth Plan	-	-	80,48,833	8.05
TATA Fixed Maturity Plan Series 46 Scheme M-Plan A-Growth	-	-	50,00,000	5.00
Kotak FMP Series 145-Growth	-	-	76,08,565	7.61
DWS Short Maturity Fund-Growth	-	-	19,96,614	5.00
Franklin India Short Term Income Plan-Retail Plan-Growth	-	-	34,974	10.00
Total Current Investments		209.83		231.16
Total Value of Quoted Current investments		0.41		0.41
Market Value of Quoted Investments		5.73		5.84
Total Value of Unquoted Current investments		209.42		230.75

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
15 Inventories (valued at lower of cost and net realizable value)		
Consumables and media	1.13	0.48
Total	1.13	0.48
16 Trade receivables		
Trade receivables (Unsecured considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	64.77	27.75
- Considered doubtful	86.41	71.99
	151.18	99.74
Provision for doubtful receivables	(86.41)	(71.99)
	(A) 64.77	27.75
Other trade receivables	(B) 681.92	655.78
Total (A + B)	746.69	683.53

Trade receivables include:

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

Sun Direct TV Private Limited	129.12	124.21
Sun Distribution Services Private Limited	84.94	91.46
Kal Publications Private Limited	0.89	0.68

17 Cash and bank balances
Cash and cash equivalents

Balances with banks:

On current accounts	37.01	40.99
On unpaid dividend account	0.39	0.26
Cheques on hand	108.12	0.02
Cash on hand	0.04	0.02
	145.56	41.29

Other bank balances

Deposits with original maturity of more than 3 months but less than 12 months	642.23	649.23
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642.23 **649.23**

787.79 **690.52**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
18 Short term Loans and advances (Unsecured)		
Advances recoverable in cash or kind		
Considered good	29.57	32.47
Considered doubtful	11.55	11.47
	41.12	43.94
Provision for doubtful advances	(11.55)	(11.47)
(A)	29.57	32.47
Other loans and advances		
Prepaid expenses - Considered good	13.91	10.31
Balances with statutory / government authorities		
- Considered good	60.18	60.19
- Considered doubtful	-	2.21
	74.09	72.71
Provision for doubtful balances with statutory and government authorities	-	(2.21)
(B)	74.09	70.50
Total (A+ B)	103.66	102.97
19 Other Current assets		
Unsecured, considered good unless stated otherwise		
Interest accrued		
- on fixed deposits	7.38	9.11
Other receivables		
- from Related Parties	6.88	6.44
- Insurance Claim Receivable (Refer - Note 28)	260.00	-
Unbilled Revenues	68.49	80.28
Total	342.75	95.83

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
20 Revenue from operations		
Revenues from services		
Advertising income	1,210.71	1,136.09
Broadcast fees	110.03	114.64
International Subscription Revenue	143.42	137.72
Subscription income	815.42	738.00
Income from movie distribution	7.43	0.10
Income from content trading	20.67	16.87
Income from Indian Premier League	96.30	100.20
	2,403.98	2,243.62
21 Other income		
Interest income		
- on bank deposits	61.07	64.21
- on others	0.15	0.12
Dividend income on current investments	0.65	10.93
Net gain on sale of current investments	10.82	2.50
Gain on foreign exchange fluctuation (net)	4.38	1.45
Liabilities / provisions not required written back	6.08	1.98
Rental Income	3.43	3.73
Business Support Services	2.25	1.94
Miscellaneous Income	0.49	0.97
	89.32	87.83
22 Cost of Revenues		
Telecast costs	28.98	27.40
Program production expenses	52.64	51.00
Cost of program rights	50.96	48.73
Consumables and media expensed	0.28	0.67
Pay channel service charges	25.44	29.53
Licenses	8.62	6.44
Franchise fee cost	85.05	85.05
Others	14.83	5.44
	266.80	254.26

Cost of Revenue excludes amortisation of movie rights which is disclosed in Note - 26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
23 Employees' benefits expense		
Salaries, wages and bonus	80.05	68.79
Gratuity expense (Refer note 38)	0.86	(0.04)
Contributions to provident fund and other funds	7.78	7.63
Staff welfare expense	3.18	3.97
Directors' remuneration		
- Salary	27.10	26.89
- Ex-gratia / Bonus	116.91	96.51
	235.88	203.75
24 Other expenses		
Legal and professional fees	68.55	74.25
(Refer details below for payments made to auditors)		
Travel and conveyance	7.39	8.41
Rent	14.93	11.63
Electricity expense	11.51	10.72
Power and fuel	3.22	6.60
Repairs and maintenance		
- Building	4.27	0.93
- Plant and machinery	10.32	9.84
- Repairs Others	8.40	8.48
Communication	1.68	1.94
Utilities	11.75	9.78
Insurance	1.03	0.87
Bad debts / Input credit written off	2.95	-
Provision for doubtful debts/ movie advances and other assets	20.65	10.03
Provisions for Claims and Litigations	1.08	1.01
Expenditure on Corporate Social Responsibility (Refer Note - 30)	9.60	5.62
Loss on sale of assets (net) / assets scrapped	1.42	0.28
Rates and taxes	3.71	2.46
Miscellaneous expenses	2.93	4.07
	185.39	166.92
Payment to auditor		
As auditor:		
Audit fee	0.38	0.31
Limited review	0.18	0.18
Service Tax	0.08	0.08
In other capacity:		
Other services (certification fees)	0.02	0.02
Reimbursement of expenses	0.01	0.01
	0.67	0.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
25 Advertisement and marketing expenses		
Advertisement and marketing expenses	7.43	4.48
	7.43	4.48
26 Depreciation and amortization expense		
Depreciation of tangible assets	71.41	79.58
Amortization of intangible assets	411.75	508.25
	483.16	587.83
27 Finance costs		
Interest		
- on loans against deposits	1.76	1.07
- others	0.26	0.69
Bank charges	0.09	0.46
	2.11	2.22
28 Extraordinary items		
Impairment of tangible assets	242.03	-
(A)	242.03	-
Insurance claim against damaged assets	260.00	-
(B)	260.00	-
Net extraordinary items	(B) - (A) 17.97	-

During the year, Company's aircraft sustained damage due to floods in Chennai. The determination of the financial effects thereof was pending as at March 31, 2016 in view of highly technical nature of the assessment involved. Subsequent to year end, upon completion of such technical assessment, this aircraft has been assessed as being beyond economic repair and declared a constructive total loss. Accordingly, the carrying value of the aircraft as at the date of the incident of Rs. 242.03 crores has been recorded loss in current year. The Company has recognised insurance claim of Rs. 260 crores based on the in-principle approval received from the insurers. Both of the above, have been recorded and disclosed as extraordinary items(net). The management is confident about the collection of the same.

29 Capital and other commitments

a) Capital Commitments (net of advances)

Particulars	March 31, 2016	March 31, 2015
Outstanding commitments on capital contracts	4.29	6.19
Commitments for acquisition of film and program broadcasting rights	81.52	156.24
Total	85.81	162.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***b) Export Obligations**

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

Accordingly, the Company currently has an export obligation aggregating to Rs. Nil (March 31, 2015 Rs. 42.28 crores)

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

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

d) Franchise rights commitments

As per the terms of the franchise agreement entered into by the Company with the BCCI, the Company has a commitment to pay BCCI, Rs. 85.05 crores per annum from 2013 season to 2017 season. From the 2018 IPL season, the Company is required to pay license fees at 20% on the Franchise Income earned during the relevant year from the operation of the IPL franchise to BCCI. In the current year the Company has paid an amount aggregating to Rs. 25.52 crores as franchise license fee for the 2016 IPL season.

30 Corporate Social Responsibility (CSR)

	March 31, 2016			March 31, 2015		
Gross amount required to be spent by the company during the year	21.37			20.79		
Amount Spent during the year on :						
	March 31, 2016			March 31, 2015		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (1) above	9.60	-	9.60	5.62	-	5.62
	9.60	-	9.60	5.62	-	5.62

Contribution made to Related Parties: 4.55 1.12

31 Litigations & Claims**Note 1 :**

a) Matters wherein management has concluded the Company's liability to be probable and have accordingly provided for in the books. Refer Note 37.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Note 2 : Contingent liability

Particulars	March 31, 2016	March 31, 2015
Income Tax*	423.75	331.14
Customs Duty** @	63.63	63.63
Service tax ***	26.56	28.26
	513.94	423.03

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

The Company has received demand of income tax disallowing certain expenditure claimed in Assessment Year 2013-14. The Company has made an appeal against the said demand and based on the legal advice obtained by it, the management believes that the Company's claim is likely to be accepted by the appellate authorities.

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

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

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

32 Value of imports calculated on CIF basis

Particulars	March 31, 2016	March 31, 2015
Capital goods	26.66	19.82
Others	0.32	1.90
Total	26.98	21.72

33 Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2016	March 31, 2015
Travelling and related expenses	2.08	4.28
Acquisition of film and program broadcasting rights	2.14	4.36
Satellite Hire Charges	16.09	15.51
Legal and professional charges	24.07	29.51
Others	5.56	7.20
Total	49.94	60.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***34 Earnings in foreign exchange (on accrual basis)**

Particulars	March 31, 2016	March 31, 2015
International Subscription Revenue	143.42	137.72
Advertising income	0.29	0.42
Income from Content trading	0.47	-
Income from Indian Premier League	-	10.71
	144.18	148.85

35 Leases**Operating leases (As a Lessee)**

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

Particulars	March 31, 2016	March 31, 2015
Lease payments recognised in the statement of profit and loss for the year	34.43	31.13
Minimum Lease Payments		
Not later than one year	29.47	30.51
Later than 1 year but not later than 5 years	92.78	27.39
Later than 5 years	17.25	12.86

Operating leases (As a lessor)

The Company has leased out certain parts of its owned corporate office building to its related parties. These non cancellable leases have remaining terms of between 1 and 10 years. As per para 46 of Accounting Standard 19 Leases issued by the Institute of Chartered Accountants of India, the Gross block value of such leased property determined based on the area occupied aggregates to Rs. 19.25 crores (Previous Year - 19.92 crores) and the accumulated depreciation and net book value of the same was amounted to Rs. 6.42 crores (Previous Year - 5.80 crores) and Rs. 12.83 crores (Previous Year - 14.12 crores) respectively.

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

Particulars	March 31, 2016	March 31, 2015
Lease income recognised in the statement of profit and loss for the year	3.29	3.71
Minimum Lease Rentals Receivables		
Not later than one year	3.42	3.32
Later than 1 year but not later than 5 years	15.49	19.23
Later than 5 years	13.36	13.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

36 Un-hedged foreign currency balances

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

Particulars	Foreign Currency	March 31, 2016		March 31, 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade Receivables	USD	0.58	38.25	0.47	29.45
Trade Receivables	AUD	0.03	1.36	0.02	1.04
Trade Receivables	CAD	0.01	0.09	-	-
Trade Receivables	GBP	0.02	1.90	0.02	1.94
Trade Payables	USD	0.01	0.61	-	-
Advance from customer	USD	-	-	0.01	0.50
Advance from customer	CAD	0.01	0.08	-	-
Security Deposits from customers	AUD	0.01	0.25	0.01	0.24
Security Deposits from customers	USD	0.04	2.78	0.03	1.62
Security deposits paid	USD	0.02	1.19	0.03	1.60

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Nature of Provision	Opening Balance	Provision for the year	Provision written back /adjusted	Closing Balance
Claims related to Service tax	3.88	1.08	-	4.96
FM License fees	-	2.05	-	2.05
	3.88	3.13	-	7.01

38 Employee benefit plans - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

Statement of Profit and Loss

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	1.06	1.06
Interest cost on benefit obligation	0.61	0.59
Expected return on plan assets	(0.73)	(0.65)
Net actuarial (gain) / loss recognised in the year	(0.08)	(1.04)
Net benefit expense	0.86	(0.04)
Actual return on plan assets	0.69	0.61

Particulars	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	8.81	8.03
Fair value of plan assets	(9.95)	(8.13)
Plan Liability / (Asset)	(1.14)	(0.10)
Experience adjustments on plan liabilities	0.11	1.08
Experience adjustments on plan Asset	(0.03)	(0.04)

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening defined benefit obligation	8.03	7.76
Current service cost	1.06	1.06
Interest cost	0.61	0.59
Actuarial (gains) / losses on obligation	(0.11)	(1.08)
Benefits paid	(0.78)	(0.30)
Closing defined benefit obligation	8.81	8.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Fair value of planned assets at the beginning of the year	8.13	6.88
Expected return on plan assets	0.73	0.65
Contributions	1.90	0.94
Benefits paid	(0.78)	(0.30)
Actuarial gain / (loss) on plan assets	(0.03)	(0.04)
Fair value of plan assets at the end of the year	9.95	8.13

The experience adjustments on plan liabilities and assets, and net (surplus) / deficit for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 are as follows:

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation at the end of the period	7.76	7.13	6.24
Fair value of plan assets	(6.88)	(5.24)	(4.46)
Net deficit	0.88	1.89	1.78
Experience adjustments on plan liabilities	0.50	0.21	0.18
Experience adjustments on plan assets	(0.10)	(0.03)	(0.04)

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

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	8.00%	7.80%
Expected rate of return on assets	8.35%	9.00%
Employee turnover	2.00%	2.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous year, the company expects to contribute Rs.1.40 crores to the gratuity fund in the next year. However the actual contribution by the company will be based in the actuarial valuation report received from the insurance company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

*(All amounts are in crores of Indian Rupees, unless otherwise stated)***39 Related party transactions**

Names of related parties	
1. Individual owning an interest in voting power of the Company that gives them control	
Mr. Kalanithi Maran	
2. Enterprises in which Key Management personnel or their relatives have significant influence	
Kal Comm Private Limited Kal Cables Private Limited Sun Direct TV Private Limited Udaya FM Private Limited Sun Distribution Services Private Limited Sun Business Solutions Private Limited SpiceJet Limited (Upto February 23, 2015)	Kal Airways Private Limited Kal Publications Private Limited D.K. Enterprises Private Limited Sun Foundation Murasoli Maran Family Trust Kal Media Services Private Limited
3. Subsidiary Companies	
South Asia FM Limited Kal Radio Limited	
4. Associates of South Asia FM Limited	
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 Mr. K Vijaykumar – Managing Director and Chief Executive Officer Mrs. Kavery Kalanithi – Executive Director Mr. V C Unnikrishnan – Chief financial Officer Mr. R. Ravi – Company Secretary	
6. Relatives of Key Management personnel	
Mrs. Mallika Maran	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Income :						
Subscription Income						
Sun Distribution Services Private Limited	229.30	211.47	-	-	-	-
Sun Direct TV Private Limited	209.04	209.93	-	-	-	-
Advertising Income						
SpiceJet Limited	-	0.71	-	-	-	-
Kal Publications Private Limited	0.41	0.38	-	-	-	-
Income from IPL						
SpiceJet Limited	-	8.03	-	-	-	-
Sun Direct TV Private Limited	-	4.00	-	-	-	-
Sun Distribution Services Private Limited	3.00	-	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	3.00	1.50	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	2.00	1.00	-	-
Kal Radio Limited	-	-	1.50	1.50	-	-
South Asia FM Limited	-	-	2.50	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Rental and Business Support Income						
Kal Radio Limited	-	-	0.65	0.59	-	-
South Asia FM Limited	-	-	0.26	0.22	-	-
Sun Direct TV Private Limited	2.07	1.88	-	-	-	-
Kal Publications Private Limited	1.77	1.59	-	-	-	-
Others	0.83	1.01	-	-	-	-
Movie Content Income						
Sun Direct TV Private Limited	10.28	10.45	-	-	-	-
Program production expenses						
Kal Publications Private Limited	4.38	4.38	-	-	-	-
Pay channel service charges						
Sun Distribution Services Private Limited	22.86	21.26	-	-	-	-
Legal and Professional Fees						
Mrs. Mallika Maran	-	-	-	-	0.02	0.02
Rent Expense						
Kal Publications Private Limited	2.52	2.36	-	-	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	0.08	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Expenditure on Corporate Social Responsibility Sun Foundation	4.55	1.12	-	-	-	-
Advertisement expenses Kal Publications Private Limited	0.16	0.05	-	-	-	-
Remuneration paid (including ex-gratia)						
Salary - Mr. Kalanithi Maran	-	-	-	-	13.14	13.14
Salary - Mrs. Kavery Kalanithi	-	-	-	-	13.14	13.14
Salary - Mr. K Vijaykumar	-	-	-	-	0.82	0.61
Salary - Mr. V C Unnikrishnan	-	-	-	-	0.81	0.73
Salary - Mr. R Ravi	-	-	-	-	0.20	0.17
Ex-gratia / Bonus - Mr. Kalanithi Maran	-	-	-	-	58.33	48.13
Ex-gratia / Bonus - Mrs. Kavery Kalanithi	-	-	-	-	58.32	48.12
Ex-gratia / Bonus - Mr. K Vijaykumar	-	-	-	-	0.26	0.26
Dividends Paid Mr. Kalanithi Maran	-	-	-	-	458.12	399.02
Reimbursement/(Recovery) of Cost of shared services (Net) Kal Publications Private Limited	0.28	0.27	-	-	-	-
Travelling Expenses SpiceJet Limited	-	1.66	-	-	-	-
Channel Placement Fees Sun Direct TV Private Limited	-	4.57	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Balances Outstanding:						
Accounts Receivable						
Sun Direct TV Private Limited	129.12	124.21	-	-	-	-
Sun Distribution Services Private Limited	84.94	91.46	-	-	-	-
Others	1.58	0.68	-	-	-	-
Other Receivables						
Kal Radio Limited	-	-	0.07	0.06	-	-
South Asia FM Limited	-	-	0.02	0.01	-	-
Kal Publications Private Limited	5.90	5.51	-	-	-	-
Sun Direct TV Private Limited	0.83	0.70	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	-	0.13	-	-
Others	0.08	0.08	-	-	-	-
Rental and other deposits						
Kal Publications Private Limited	0.06	0.06	-	-	-	-
Security Deposit and Other Current Liabilities						
Kal Radio Limited	-	-	0.00	0.13	-	-
Kal Publications Private Limited	0.01	0.01	-	-	-	-
Sun Direct TV Private Limited	0.02	0.02	-	-	-	-
Others	-	0.62	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Accounts Payable						
Sun Distribution Services Private Limited	9.03	10.29	-	-	-	-
Kal Publications Private Limited	0.20	0.39	-	-	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	0.02	-	-	-
Others	0.02	-	-	-	-	-
Remuneration/Ex-gratia/Bonus Payable						
Mr. Kalanithi Maran	-	-	-	-	58.33	48.13
Mrs. Kavery Kalanithi	-	-	-	-	58.32	48.12
Mr. K Vijayakumar	-	-	-	-	0.26	0.26
Mr. V C Unnikrishnan	-	-	-	-	0.14	0.13
Mr. R. Ravi	-	-	-	-	0.02	0.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

*(All amounts are in crores of Indian Rupees, unless otherwise stated)***40 Segment information**

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

Geographical segments

Year ended March 31, 2016	India	Others	Total
Revenue			
Sales	2,259.80	144.18	2,403.98
Other segment information			
Segment assets	3,649.74	54.54	3,704.28
Total assets			
Capital expenditure:			
Tangible fixed assets	38.69	-	38.69
Intangible fixed assets	438.27	-	438.27
Capital work in Progress	0.57	-	0.57

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

41 Investment in Subsidiaries operating in Radio business

Under the relevant frameworks of the Ministry of Information and Broadcasting of the Government of India ('MIB'), the Company, its subsidiaries and its investees involved in FM Radio operations had submitted applications to migrate existing FM Radio licenses (including six of which expired on March 31, 2015 and others expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime as well as applications for participating in the e-auction process for new FM Radio frequencies in the Phase III licensing regime. The Company has direct / indirect investments in FM Radio operations aggregating Rs 620.20 crores, the recoverability of which is dependent upon maintaining profitable operations.

Two investees of the Company were permitted to participate in e-auction process based on a favourable order of the Delhi High Court. The Union of India's appeal there against has been dismissed by the Hon'ble Supreme Court, thereby setting aside the Government's rejection of the applications citing security reasons; Subsequent to the balance sheet date, (a) two investees have been granted licences in respect of 3 stations, for which the Grant of Permission Agreement ('GOPA') has been signed; (b) the MIB has offered migration of existing licenses owned by the Company's investees to the Phase III licensing regime subject to payment of the requisite fees and compliance with other terms and conditions, which the management is confident of complying with.

With respect to the Company and its subsidiaries, (a) An interim order of the Madras High Court had permitted these Companies to participate in the e-auctions in Phase III. (b) With reference to migration from Phase II to Phase III stated above, the relevant companies have been permitted to continue existing operations by way of interim orders by the Madras High court. While the matter continue to be sub-judice at the Madras High Court, having regard to the recent judgment of the Supreme Court as well post-year end events, in relation to investees of the Company, management is confident of receiving the required approvals against the applications by the Company and its subsidiaries, to enable continued profitable operations of these FM Radio stations and the recoverability of the Company's investments, direct and indirect, in its radio operations.

In the third quarter of the current year, the Company has also made additional investments of Rs 157.80 crores in South Asia FM Limited ("SAFM"), a subsidiary, against a rights issue by SAFM towards funding new licences and the migration plan as per Phase III licensing regime.

42 Provisional Attachment order from Enforcement Directorate

During the quarter ended June 30, 2015, the Company and one of its subsidiaries, South Asia FM Limited ("SAFM"), received an order from the Enforcement Directorate, Ministry of Finance, Government of India, ("Enforcement Directorate") provisionally attaching certain Freehold Land and Buildings of the Company aggregating Rs. 266 crores, and fixed deposits with banks and mutual fund investments of SAFM aggregating Rs. 21.34 crores, under the Prevention of Money Laundering Act, 2002 ("PMLA") in connection with an investigation not involving the Company. With reference to the Provisional Attachment Order ("PAO") under PMLA, the Company has filed a Special Leave Petition ("SLP") challenging the said Order before the Hon'ble Supreme Court of India which has stayed the adjudication proceedings under the PMLA and accordingly the entities continue to be in full possession of these assets. Based on legal advise, management is confident that the said PAO is not legally tenable and is confident of a favourable outcome in due course and, accordingly, is of the view that no accounting adjustments are considered necessary in these financial statements in this regard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

43 Prior year comparatives

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

For and on behalf of the board of directors

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 27, 2016

Kalanithi Maran

Chairman

R. Ravi

Company Secretary

Place : Chennai

Date : May 27, 2016

K Vijaykumar

Managing Director &

Chief Executive Officer

V C Unnikrishnan

Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

To the Members of Sun TV Network Limited

Report on Consolidated financial statements

We have audited the accompanying consolidated financial statements of Sun TV Network Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in

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

order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and of its associates, as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to notes 43 and 44, regarding matters of material uncertainty in relation to assets of the company and investments in subsidiaries respectively. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiaries and associate companies incorporated in India, none of the directors of the Group's and of its associates companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

- (f) The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company, its subsidiary companies and its associates companies.
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 35 to the consolidated financial statements;
 - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of Rs. 850.72 crores as at March 31, 2016, and total revenues and net cash outflows of Rs. 169.80 crores and Rs. 209.15 crores for the year ended on that date, in respect of certain subsidiaries which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of Rs. 10.63 crores for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of such other auditors.

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Chennai

Date : May 27, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN TV NETWORK LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Sun TV Network Limited

In conjunction with our audit of the consolidated financial statements of Sun TV Network Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Sun TV Network Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and associates companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's and of its associates internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN TV NETWORK LIMITED

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries and associates companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF SUN TV NETWORK LIMITED**

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group and of its associates, insofar as it relates to these 2 subsidiary and 10 associates companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associates incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place of Signature: Chennai

Date: May 27, 2016

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Consolidated Balance Sheet as at March 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2016	March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	197.04	197.04
Reserves and surplus	4	3,329.30	3,151.10
		3,526.34	3,348.14
Minority Interest		175.56	54.67
Preference shares in subsidiary held by minority shareholders		93.40	93.40
Non-current liabilities			
Deferred tax liability (net)	5	18.81	22.59
Other long-term liabilities	6	6.18	3.85
Long-term provisions	7	-	0.47
		24.99	26.91
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	81.74	71.91
Other current liabilities	9	173.80	142.63
Short-term provisions	10	14.81	7.36
		270.35	221.90
TOTAL		4,090.64	3,745.02
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	453.66	731.13
Intangible assets	12	455.06	448.08
Capital work-in-progress		0.74	1.83
Non-current investments	13	336.23	225.60
Deferred tax assets (net)	14	1.24	-
Long-term loans and advances	15	181.99	307.51
Other non-current assets	16	31.65	27.34
		1,460.57	1,741.49
Current assets			
Current investments	17	255.66	280.16
Inventories	18	1.13	0.48
Trade receivables	19	824.56	757.49
Cash and bank balances	20	1,093.06	759.29
Short-term loans and advances	21	111.95	109.50
Other current assets	22	343.71	96.61
		2,630.07	2,003.53
TOTAL		4,090.64	3,745.02

Consolidated Balance Sheet as at March 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Summary of significant accounting policies 2

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the board of directors

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &

Chief Executive Officer

Place : Chennai

Date : May 27, 2016

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 27, 2016

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Consolidated Statement of Profit and Loss for the year ended March 31, 2016
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

	Notes	March 31, 2016	March 31, 2015
Income			
Revenues from operations	23	2,569.78	2,395.38
Other income	24	110.63	98.91
Total revenue (I)		2,680.41	2,494.29
Expenses			
Costs of revenues	25	301.89	287.50
Employees' benefits expense	26	271.63	235.08
Other expenses	27	210.48	188.62
Advertisement and marketing expenses	28	11.59	6.94
Depreciation and amortization expense	29	504.94	615.31
Finance costs	30	2.20	2.29
Total (II)		1,302.73	1,335.74
Profit before extraordinary items and tax (I) - (II)		1,377.68	1,158.55
Extraordinary items	31	17.97	-
Profit before tax after extraordinary items		1,395.65	1,158.55
Tax expenses			
Current tax		474.52	384.08
Minimum Alternative Tax credit		5.99	(4.74)
Deferred tax		(5.02)	(3.38)
Total tax expense		475.49	375.96
Profit before minority interest & Share in Net Profit of associates		920.16	782.59
Share in Profits from Associates		10.63	13.53
Profit after taxes		930.79	796.12
Profit attributable to:			
Owners of equity		913.38	782.04
Minority Interest		17.41	14.08
		930.79	796.12
Profit after taxes		913.38	782.04

Consolidated Statement of Profit and Loss for the year ended March 31, 2016*(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

	March 31, 2016	March 31, 2015
Earnings per share information before extraordinary items:		
Net profit attributable to equity shareholders before extraordinary items	895.41	782.04
Weighted average number of equity shares outstanding	39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)	22.72	19.84
Nominal value of equity share (Rs.)	5.00	5.00
Earnings per share information after extraordinary items:		
Net profit attributable to equity shareholders after extraordinary items	913.38	782.04
Weighted average number of equity shares outstanding	39,40,84,620	39,40,84,620
Basic and diluted earnings per share (Rs.)	23.18	19.84
Nominal value of equity share (Rs.)	5.00	5.00

Summary of significant accounting policies 2

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the board of directors

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &
Chief Executive Officer

Place : Chennai

Date : May 27, 2016

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 27, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Net profit before taxation	1,377.68	1,158.55
Adjustments to reconcile:		
Depreciation on tangible assets	75.31	89.21
Amortisation of intangible assets	429.63	526.10
(Profit)/Loss on sale of fixed assets, net	1.52	0.39
Translation loss / (gain) on monetary assets and liabilities	(1.11)	1.11
Provision for doubtful debts/Movie advances and other Assets	20.96	10.30
Provision for claims and litigations	1.08	1.01
Provision for FM License fees	2.05	-
Bad debts / Input credit written off	4.73	-
Liabilities / provisions no longer required written back and Reversal of provision for bad and doubtful debts	(8.43)	(2.02)
Interest income	(79.18)	(72.83)
Dividend income/ Net gain on sale of current investments	(13.23)	(15.82)
Interest expense	2.03	1.76
Operating profit before working capital changes	1,813.04	1,697.76
Movements in working capital :		
(Increase) / Decrease in trade receivables	(80.26)	(135.30)
(Increase) / Decrease in inventories	(0.65)	0.09
(Increase) / Decrease in other current assets	7.20	(36.80)
(Increase) / Decrease in loans and advances	(6.58)	(4.20)
Increase / (Decrease) in trade payables and other liabilities	54.03	24.45
Increase / (Decrease) in provisions	0.83	(0.13)
Cash generated from / (used in) operations	1,787.61	1,545.87
Direct taxes paid (net of refunds)	(462.27)	(383.60)
Net cash flow from / (used in) operating activities (A)	1,325.34	1,162.27
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances)	(40.00)	(29.30)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)	(333.45)	(410.70)
Purchase of current investments	(718.12)	(514.76)
Redemption of current investments	742.62	494.11

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
Proceeds from sale of assets	0.63	1.17
Investment in Associates	(100.00)	-
Term deposits placed with banks during the year	(969.68)	(683.31)
Term deposits refunded from banks during the year	737.54	542.20
Interest received	80.58	66.47
Dividends income / Net gain on sale of current investments	13.23	15.82
Net cash from / (used in) investing activities (B)	(586.65)	(518.30)
Cash flows (used in) / from financing activities		
Loans availed	1,176.35	793.60
Loans repaid	(1,176.35)	(793.60)
Proceeds from Issue of Equity Shares in Subsidiary	105.20	-
Proposed dividends paid	-	(88.67)
Tax on proposed dividends paid	-	(15.07)
Interim dividends paid	(610.83)	(443.35)
Tax on interim dividends paid	(124.35)	(85.98)
Interest paid	(2.03)	(1.76)
Net cash (used in) / from financing activities (C)	(632.01)	(634.83)
Exchange differences on translation of foreign currency cash and cash equivalents (D)	(0.13)	(0.20)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	106.55	8.94
Cash and cash equivalents at the beginning of the year	48.48	39.54
Cash and cash equivalents at the end of the year	155.03	48.48

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

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

Notes	March 31, 2016	March 31, 2015
a) The reconciliation to the cash and bank balances as given in Note 20 is as follows :		
Cash and bank balances, per Note 20	1,093.06	759.29
Less : Term deposits placed with banks	(938.03)	(710.81)
Cash and cash equivalents, end of year	155.03	48.48

b) Components of cash and cash equivalents

Cash and cheques on hand	108.19	0.07
With banks - on current account	46.45	48.15
- on unpaid dividend accounts (restricted)*	0.39	0.26

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of directors

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership No.: 211107

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &
Chief Executive Officer

Place : Chennai

Date : May 27, 2016

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 27, 2016

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***1 Background and corporate information**

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

The Company has two subsidiaries – Kal Radio Limited ('KRL') and South Asia FM Limited ('SAFML') both of which are incorporated in India. KRL was incorporated on October 7, 2005 as Kal Radio Private Limited and 97.8% (March 31, 2015 – 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 59.44 % (March 31, 2015 – 59.15%) of its paid up equity share capital. KRL and SAFML are engaged in producing and broadcasting radio software programming in Indian regional languages. KRL and SAFML are hereinafter collectively referred to as 'Subsidiaries'.

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

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

SAFML's strategic alliance with Red FM

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Name	Effective holding of the Group	
	March 31, 2016	March 31, 2015
Deccan Digital Networks (Hyderabad) Private Limited*	17.22%	17.14%
Metro Digital Networks (Hyderabad) Private Limited*	17.22%	17.14%
AV Digital Networks (Hyderabad) Private Limited*	17.22%	17.14%
Pioneer Radio Training Services Private Limited**	29.06%	28.92%
South Asia Multimedia Private Limited**	29.06%	28.92%
Optimum Media Services Private Limited**	29.06%	28.92%
Asia Radio Broadcast Private Limited**	29.06%	28.92%
Digital Radio (Delhi) Broadcasting Limited**	29.06%	28.92%
Digital Radio (Mumbai) Broadcasting Limited **	29.06%	28.92%
Digital Radio (Kolkata) Broadcasting Limited **	29.06%	28.92%

* - SAFML's effective holding is 28.99%.

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

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

2 Summary of significant accounting policies

a) Basis of preparation

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

b) Principles of consolidation

Subsidiaries:

- The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the Balance Sheet, at March 31, 2016 and Statement of Profit and Loss and Cash Flows of Sun TV, KRL & SAFML for the year ended March 31, 2016.
- 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, 2016.
- All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

Associates:

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

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

c) Use of estimates

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

d) Tangible fixed assets and depreciationFixed assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

The Group identifies and determines separate useful life for each major component of the fixed assets, if they have useful life that is materially different from that of the remaining asset and the cost of acquisition of the component to the total cost of the assets is material

Depreciation

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The gross block of plant and machinery as at March 31, 2016 includes cost of program production equipment of Rs. 122.14 crores (Previous Year Rs. 151.72 crores), post production equipment of Rs. 69.18 crores (Previous Year Rs. 68.52 crores), reception and distribution facilities of Rs. 195.76 crores (Previous Year Rs. 210.60 crores), computer and related equipment of Rs. 128.77 crores (Previous Year Rs. 118.63 crores) and aircraft of Rs. 295.15 crores (Previous Year Rs. 295.15 crores). The net block of plant and machinery as at March 31, 2016 includes the net block of program production equipment of Rs. 18.51 crores (Previous Year Rs. 19.25 crores), post production equipment of Rs. 14.80 crores (Previous Year Rs. 12.09 crores), reception and distribution facilities of Rs. 50.91 crores (Previous Year Rs. 57.86 crores), computer and related equipment of Rs. 20.27 crores (Previous Year Rs. 18.21 crores) and aircraft of Rs. Nil crores (Previous Year Rs. 255.18 crores).

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

e) Intangible assets and amortization

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

- Computer software

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

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

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

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

- Film production costs, distribution and related rights

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

□ Licenses

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

□ Goodwill arising on Consolidation

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

f) Impairment of tangible and intangible assets

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

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

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

g) Franchisee Fees

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

h) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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.

i) Borrowing costs :

Borrowing cost includes interest and amortization of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Revenue recognition

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

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

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

k) Retirement and other employee benefits

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

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

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

l) Income Taxes

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

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

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

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

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

m) Earnings per share

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

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

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

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

Operating leases (where the Group is the lessor)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

o) 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.

p) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange differences

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

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

q) Provisions

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

r) Contingent liabilities

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

s) Segment reporting

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

The Group considers geographical segments as its secondary segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

	March 31, 2016	March 31, 2015
3 Share capital		
Authorised Shares		
45,00,00,000 equity shares of Rs 5/- each (March 31, 2015 - 45,00,00,000 of Rs. 5/- each)	225.00	225.00
Issued, subscribed and fully paid-up Shares		
39,40,84,620 equity shares of Rs 5/- each (March 31, 2015 - 39,40,84,620 of Rs. 5/- each)	197.04	197.04
	197.04	197.04

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

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
At the beginning of the year	39,40,84,620	197.04	39,40,84,620	197.04
Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	39,40,84,620	197.04	39,40,84,620	197.04

b. Rights attached to equity shares

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

During the year ended March 31, 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs.15.50/- share (March 31, 2015: Rs. 11.25/- share).

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

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

Equity shares of Rs. 5 each fully paid	March 31, 2016		March 31, 2015	
	Number	% holding	Number	% holding
Mr. Kalanithi Maran	29,55,63,457	75.00%	29,55,63,457	75.00%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016	March 31, 2015
4 Reserves and surplus		
Securities premium account	471.82	471.82
General reserve		
Balance as per the last financial statements	483.80	483.80
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	483.80	483.80
Surplus in the statement of profit and loss		
Balance as per last financial statements	2,195.48	1,942.77
Profit for the year	913.38	782.04
Less: Appropriations		
Interim dividend [Rs 15.50/- per share (March 31, 2015: Rs 11.25- per share)]	(610.83)	(443.35)
Tax on interim dividend	(124.35)	(85.98)
Total appropriations	(735.18)	(529.33)
Net surplus in the statement of profit and loss	2,373.68	2,195.48
Total reserves and surplus	3,329.30	3,151.10
5 Deferred tax Liability (net)		
Gross Deferred tax Liability		
Tangible Assets and Intangible Assets		
- Impact of timing difference due to depreciation / amortisation	72.40	65.53
Gross deferred tax liability	72.40	65.53
Gross Deferred tax Asset		
- Provision for doubtful debts/Movies advances and other assets	(46.95)	(38.72)
- Sec. 40(a)(ia) disallowance	(4.25)	(3.24)
- Others	(2.39)	(0.98)
Gross deferred tax asset	(53.59)	(42.94)
Net deferred tax liability	18.81	22.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
6 Other long-term liabilities		
Interest free deposits from customers	6.15	3.82
Security deposits	0.03	0.03
	6.18	3.85
7 Long-term Provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 39)	-	0.47
	-	0.47
8 Trade Payables		
Trade payables	81.74	71.91
<p>There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Group has not paid any interest to any Micro and Small Enterprises during the current and previous year.</p>		
9 Other current liabilities		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	0.39	0.26
Deferred revenues	3.93	4.08
Interest free deposits from customers	5.29	5.60
Advances from customers	22.24	21.26
Dues payable in respect of fixed assets	2.40	1.87
Director's Remuneration Payable	116.91	96.51
Employee Benefits Payable	13.97	6.69
Retention Money Payable	0.48	0.49
Statutory Dues	8.19	5.87
	173.80	142.63
10 Short Term Provisions		
Provision for employee benefits		
Provision for leave benefits	6.90	2.89
	6.90	2.89
Other provisions		
Provision for litigations and claims (Refer note-38)	4.96	3.88
Provision for taxation	0.90	0.59
Provision for FM license fees (Refer note-38)	2.05	-
	7.91	4.47
	14.81	7.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

11 Tangible assets										
	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fittings	Leasehold Improvements	Motor vehicles*	Total		
Gross Block										
At April 1, 2014	87.74	267.65	837.98	72.77	84.61	40.63	22.45	1,413.83		
Additions	-	0.02	20.72	0.62	0.44	1.06	3.26	26.12		
Disposals	(0.01)	-	(14.08)	(0.68)	(0.02)	-	(3.42)	(18.21)		
At March 31, 2015	87.73	267.67	844.62	72.71	85.03	41.69	22.29	1,421.74		
Additions	-	3.28	33.93	2.02	0.56	1.08	1.15	42.02		
Disposals	-	-	(38.29)	-	(0.06)	-	(0.79)	(39.14)		
At March 31, 2016	87.73	270.95	840.26	74.73	85.53	42.77	22.65	1,424.62		
Depreciation										
At April 1, 2014	-	62.44	440.20	30.24	39.02	31.57	14.57	618.04		
Charge for the year (Refer Note - 29)	-	14.91	55.33	5.44	8.36	2.78	2.39	89.21		
Disposals	-	-	(13.50)	(0.59)	(0.01)	-	(2.54)	(16.64)		
At March 31, 2015	-	77.35	482.03	35.09	47.37	34.35	14.42	690.61		
Charge for the year (Refer Note - 29)	-	13.32	45.16	4.95	7.01	2.59	2.28	75.31		
Disposals	-	-	(36.34)	-	(0.03)	-	(0.62)	(36.99)		
At March 31, 2016	-	90.67	490.85	40.04	54.35	36.94	16.08	728.93		
Impairment										
At April 1, 2014	-	-	-	-	-	-	-	-		
Charge for the year	-	-	-	-	-	-	-	-		
Disposals	-	-	-	-	-	-	-	-		
At March 31, 2015	-	-	-	-	-	-	-	-		
Charge for the year (Refer Note 31)	-	-	242.03	-	-	-	-	242.03		
Disposals	-	-	-	-	-	-	-	-		
At March 31, 2016	-	-	242.03	-	-	-	-	242.03		
Net Block										
At March 31, 2015	87.73	190.32	362.59	37.62	37.66	7.34	7.87	731.13		
At March 31, 2016	87.73	180.28	107.38	34.69	31.18	5.83	6.57	453.66		

* Note : 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, 2016 are Rs 5.27 crores and Rs 0.10 crores respectively (March 31, 2015 - Rs 5.27 crores and Rs 0.17 crores respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

12 Intangible assets	Film and Program Broadcasting Rights	Film production costs, Distribution and Related Rights	Computer Software	Licenses	Goodwill On Amalgamation	Goodwill On Consolidation	Total
Gross Block							
At April 1, 2014	1,985.15	380.28	17.62	193.60	19.63	43.81	2,640.09
Additions	393.77	-	2.90	-	-	-	396.67
Disposals	(14.52)	-	-	-	-	-	(14.52)
At March 31, 2015	2,364.40	380.28	20.52	193.60	19.63	43.81	3,022.24
Additions	424.29	7.50	6.53	-	-	-	438.32
Disposals	(16.14)	-	-	-	-	-	(16.14)
Other Adjustments	-	-	-	-	-	(1.71)	(1.71)
At March 31, 2016	2,772.55	387.78	27.05	193.60	19.63	42.10	3,442.71
Depreciation							
At April 1, 2014	1,512.05	380.28	16.34	129.88	19.63	-	2,058.18
Charge for the year (Refer Note - 29)	505.17	-	1.40	19.53	-	-	526.10
Disposals	(14.52)	-	-	-	-	-	(14.52)
At March 31, 2015	2,002.70	380.28	17.74	149.41	19.63	-	2,569.76
Charge for the year (Refer Note - 29)	401.96	7.50	2.30	17.87	-	-	429.63
Disposals	(16.14)	-	-	-	-	-	(16.14)
At March 31, 2016	2,388.52	387.78	20.04	167.28	19.63	-	2,983.25
Impairment							
At April 1, 2014	4.40	-	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-	-
At March 31, 2015	4.40	-	-	-	-	-	4.40
Charge for the year	-	-	-	-	-	-	-
At March 31, 2016	4.40	-	-	-	-	-	4.40
Net Block							
At March 31, 2015	357.30	-	2.78	44.19	-	43.81	448.08
At March 31, 2016	379.63	-	7.01	26.32	-	42.10	455.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

13 Non-current investment	March 31, 2016	March 31, 2015
Long Term Investments (At cost) - Trade		
<i>Equity instruments (Unquoted)</i>		
-In Associate Companies :		
AV Digital Networks (Hyderabad) Private Limited		
4,13,605 (March 31, 2015 - 4,13,605) fully paid equity shares of Rs 10/- each	0.66	0.66
Share of Profit / (Loss) from the Associate Company	(0.66)	(0.66)
	-	-
2,10,00,000 (March 31, 2015 - 2,10,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	21.61	21.72
Share of Profit / (Loss) from the Associate Company	(0.07)	(0.11)
Total	A	21.54
		21.61
Metro Digital Networks (Hyderabad) Private Limited		
4,13,605 (March 31, 2015 - 4,13,605) fully paid equity shares of Rs 10/- each	11.16	8.59
Share of Profit / (Loss) from the Associate Company	1.83	2.57
	12.99	11.16
6,40,00,000 (March 31, 2015 - 6,40,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	76.30	76.30
Total	B	89.29
		87.46
Deccan Digital Networks (Hyderabad) Private Limited		
4,13,605 (March 31, 2015 - 4,13,605) fully paid equity shares of Rs 10/- each	9.74	7.02
Share in Profit/ (Loss) from Associate Company	2.20	2.72
	11.94	9.74
5,70,00,000 (March 31, 2015 - 5,70,00,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	67.96	67.96
Total	C	79.90
		77.70
Asia Radio Broadcast Private Limited		
28,57,000 (March 31, 2015 - 28,57,000) fully paid equity shares of Rs 10/- each	5.03	4.13
Share of Profit / (Loss) from the Associate Company	0.97	0.90
Total	D	6.00
		5.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

		March 31, 2016	March 31, 2015
Pioneer Radio Training Services Private Limited			
28,57,000 (March 31, 2015 - 28,57,000) fully paid equity shares of Rs 10/- each		15.69	11.86
Share of Profit / (Loss) from the Associate Company		3.11	3.83
Total	E	18.80	15.69
Optimum Media Services Private Limited			
28,57,000 (March 31, 2015 - 28,57,000) fully paid equity shares of Rs 10/- each		18.11	14.49
Share of Profit / (Loss) from the Associate Company		2.59	3.62
10,00,00,000 12% Cumulative Redeemable Preference Shares of Rs. 10/- each (March 31, 2015 - Nil)		100.00	-
Total	F	120.70	18.11
Total Unquoted Non current Investments	[A+B+C+D+E+F]	336.23	225.60
14 Deferred tax Assets (Net)			
Gross Deferred tax Asset			
Tangible Assets and Intangible Assets			
- Impact of timing difference on fixed assets		0.85	-
- Sec. 40(a)(ia) disallowances		0.39	-
Net deferred tax asset		1.24	-
15 Long term Loans and advances (Unsecured)			
Capital advances			
Considered good		60.05	172.87
Considered doubtful		26.58	18.22
		86.63	191.09
Provision for doubtful capital advances		(26.58)	(18.22)
	(A)	60.05	172.87
Loans to Associates - Considered good		37.04	34.46
	(B)	37.04	34.46
Security deposit (Considered good)			
Rental and other deposits		9.19	9.05
Deposits with Government agencies		6.80	6.62
	(C)	15.99	15.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
Advances recoverable in cash or kind		
Considered good	3.44	2.17
(D)	3.44	2.17
Other loans and advances (Considered good)		
Advance income-tax (net of provision for taxation)	63.93	74.69
Minimum Alternative Tax credit	1.08	7.07
Prepaid expenses	0.46	0.58
(E)	65.47	82.34
Total	(A+ B + C + D+E)	307.51
16 Other Non current assets		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Refer note 20)	31.65	27.34
	31.65	27.34

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
17 Current investments				
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
Quoted equity instruments				
City Union Bank Limited	6,04,628	0.41	6,04,628	0.41
Unquoted Mutual Funds				
HDFC FMP 1167D January 2016 (1)-Regular-Growth	1,00,32,777	10.03	-	-
HDFC FMP 1183D January 2016 (1)-Regular-Growth-Series-35	1,00,06,421	10.00	-	-
Reliance Fixed Horizon Fund-XXX-Series 2-Growth Plan	80,03,144	8.00	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	60,38,876	6.05	-	-
ICICI Prudential FMP Series 78-1190 Days Plan E Regular Plan Cumulative	60,00,000	6.00	-	-
Franklin India Corporate Bond Opportunities Fund-Growth	53,04,808	7.50	-	-
HDFC FMP 453D February 2014 (1) Series 29-Regular-Growth	52,76,064	5.28	52,76,064	5.28
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan	52,40,000	5.24	52,40,000	5.24
Franklin India Ultra Short Bond Fund-Super Institutional Plan-Growth	51,02,424	10.24	-	-
ICICI Prudential FMP Series 72-440 Days Plan L Direct Plan Cumulative	50,90,326	5.09	50,90,326	5.09
Sundaram Fixed Term Plan Hi Regular Growth	50,71,262	5.07	-	-
ICICI Prudential FMP Series 78-1168 Days Plan-I-Growth	50,15,595	5.02	-	-
HDFC FMP 372D Dec 2013 (1) Series 29-Regular-Growth	50,00,000	5.00	-	-
DSP BlackRock FMP-Series 150-13M-Reg-Growth	50,00,000	5.00	50,00,000	5.00
Birla Sun Life Fixed Term Plan -Series KR (1124days)-Gr. Regular (385days+739 days added)	50,00,000	5.00	-	-
UTI Fixed Term Income Fund Series XVIII-IV (1127 Days)-Growth Plan (366days+761days)	50,00,000	5.00	-	-
Kotak FMP Series 191-Growth	50,00,000	5.00	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	49,28,779	5.00	-	-
HDFC Short Term Plan-Growth	37,12,876	10.00	37,12,876	10.00
ICICI Prudential FMP Series 68-369 Days Plan 1 Regular Plan Cumulative	30,00,000	3.00	30,00,000	3.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
Birla Sun Life Fixed Term Plan-Series KI (1099days)-Gr.Regular (368days+731days add 02.03.15)	30,00,000	3.00	-	-
Reliance Regular Savings Fund-Debt Plan-Growth Plan-Growth Option	28,87,336	5.50	-	-
Reliance Dynamic Bond Fund-Growth Plan--Growth Option	26,40,613	5.00	26,40,613	5.00
Tata Short Term Bond Fund Regular Plan-Growth	26,35,816	7.00	-	-
Kotak FMP Series 190-Growth	25,00,000	2.50	-	-
DHFL Pramerica Short Maturity Fund-Growth	21,90,382	5.48	-	-
Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan	20,22,637	5.00	-	-
DHFL Pramerica Short Maturity Fund-Growth	19,96,614	5.00	-	-
Reliance Short Term Fund-Growth Plan-Growth Option	19,17,994	5.00	19,17,994	5.00
ICICI Prudential Short Term-Regular Plan-Growth Option	17,18,266	5.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	14,65,936	5.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	12,93,381	4.42	-	-
HDFC High Interest Fund-Short Term Plan-Growth	12,48,546	3.50	-	-
SBI Magnum Income Fund-Regular Plan-Growth	11,84,059	4.00	-	-
Birla Sun Life Treasury Optimizer Plan-Growth-Regular Plan	1,97,898	3.50	2,53,237	4.00
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	46,607	9.00	-	-
Axis Banking Debt Fund-Growth(BDGPG)	36,547	5.00	1,96,203	25.00
UTI Treasury Advantage Fund-Institutional Plan (Daily Dividend Option)-Reinvestment	-	-	61,140	6.12
IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend	-	-	33,90,087	3.47
HDFC High Interest Fund-Short Term Plan-Dividend	-	-	31,64,683	3.37
Axis Short Term Fund-Institutional Regular Dividend Reinvestment	-	-	43,82,576	4.45
Templeton India Low Duration Fund-Monthly Dividend Reinvestment	-	-	93,19,116	9.63
HDFC FMP 372D Dec 2013-1-Regular-GR	-	-	50,00,000	5.00
Birla Sun Life Fixed Term Plan-Series KI (1099days)-Gr.Regular	-	-	30,00,000	3.00
IDFC Fixed Term Plan Series 77 Regular Plan -Growth (399 Days)	-	-	40,00,000	4.00
Birla Sun Life Fixed Term Plan -Series KR (385 days)-Gr. Regular	-	-	50,00,000	5.00
IDBI FMP-Series IV-387 Days (March 2014)-G Regular Plan-Growth -	-	-	20,00,000	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
UTI Fixed Term Income Fund Series XVIII-IV (366 Days)-Growth Plan	-	-	50,00,000	5.00
ICICI Prudential Banking & PSU Debt Fund-Weekly Dividend Reinvestment	-	-	2,10,71,513	21.46
Birla Sun Life Treasury Optimizer Plan-Monthly Dividend-Regular Plan-Reinvestment	-	-	7,15,923	7.33
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend-(Regular Plan)	-	-	41,32,853	4.17
DWS Short Maturity Fund-Growth(Enam)	-	-	21,90,382	5.48
Reliance Money Manager Fund-Growth Plan-Growth Option	-	-	94,357	18.00
Baroda Poineer Liquid Fund-Plan A Growth	-	-	62,447	10.00
ICICI Prudential Liquid-Regular Plan-Growth	-	-	2,41,825	5.00
SBI-SHF-Ultra Short Term Debt Fund-Regular Plan-Daily Dividend	-	-	2	0.00
Reliance Fixed Horizon Fund-XXV-Series 19-Growth Plan	-	-	80,48,833	8.05
TATA Fixed Maturity Plan Series 46 Scheme M-Plan A-Growth	-	-	50,00,000	5.00
Kotak FMP Series 145-Growth	-	-	76,08,565	7.61
DWS Short Maturity Fund-Growth	-	-	19,96,614	5.00
Franklin India Short Term Income Plan-Retail Plan-Growth	-	-	34,974	10.00
TATA Floater Fund Plan A - Growth	11,773	2.41	11,773	2.41
ICICI Prudential Short Term Regular Plan Growth option	4,03,601	1.14	4,03,601	1.14
TATA Short Term Bond Fund Plan A - Growth	2,06,970	0.50	2,06,970	0.50
HDFC Floating Rate Income Fund Short Term Plan Whole Sale Dividend Reinvestment Daily	54,69,382	5.51	51,71,997	5.21
IDFC Money Manager Fund - Investment Plan - Weekly Dividend	5,51,516	0.56	5,21,954	0.53
IDFC Money Manager Fund - Investment Plan - Daily Dividend	42,07,922	4.74	42,07,922	4.50
ICICI Prudential Savings Fund - Direct Plan - Growth	39,671	0.83	39,671	0.83
HDFC Liquid Fund - Direct Plan Growth Option	7,566	2.25	-	-
SBI Ultra Short Term Debt Plan - Regular Plan - Growth	15,634	3.00	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	48,151	1.00	-	-
HDFC Floating Rate Income Plan - Short Term Plan - Wholesale Option - Growth	11,70,083	3.00	-	-
DHFL Pramerica Insta Cash Plus Fund - Direct Plan Growth	2,05,257	4.02	-	-
IDFC Cash Fund Growth (direct Plan)	12,323	2.25	-	-
IDFC Money Manager Fund Investment Plan - Growth (Regular Plan)	6,48,158	1.50	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016		March 31, 2015	
	No of Units	Amount	No of Units	Amount
Kotak Banking & PSU Debt fund - Daily Dividend	-	-	37,41,073	3.75
HDFC floating rate fund	-	-	5,63,112	0.57
Principal Debt Opportunities Fund Conservative Plan - Direct plan growth	463	0.10	463	0.08
IDFC Dynamic Bond Fund - Quarterly dividend	-	-	10,86,497	1.14
IDFC Super Saver Income Fund - Fortnightly Dividend	-	-	10,98,436	1.13
Franklin India Low Duration Fund - Monthly Dividend Reinvested	-	-	39,64,582	2.27
Franklin India Savings Plus Fund	-	-	10,64,244	5.16
Axis Treasury Advantage Fund - Daily dividend	-	-	1,06,639	10.70
Pramerica Liquid Fund - Daily Dividend	-	-	3,732	0.37
Pramerica Ultra Short Term Bond Fund - Direct Plan	-	-	5,024	0.50
Pramerica Dynamic Bond Fund	-	-	1,428	0.15
IDFC Super Saver Income Fund - Short Term Plan Growth	-	-	611,211	1.72
Tata Short term Bond Fund - Plan A - Growth	-	-	20,35,100	5.19
ICICI Prudential Short Term - Regular Plan - Growth Option	-	-	4,03,503	1.14
SBI Premier Liquid fund - Regular Plan Growth	8,488	2.00	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option Growth	7,80,732	2.00	-	-
UTI Treasury Advantage Fund - Institutional Plan - Growth	7,387	1.50	-	-
SBI Ultra Short Term Debt Fund - Regular Plan Growth	10,418	2.00	-	-
Axis Treasury Advantage fund - Growth- (TAGPG)	6,010	1.00	-	-
IDFC Money Manager Fund Investment Plan - Growth- Regular Plan	4,31,758	1.00	-	-
Pramerica Insta Cash Plus Fund - Direct Plan - Daily Dividend Reinvestment	1,01,172	1.02	-	-
ICICI Prudential Money Market Fund - Direct Plan- Growth	1,20,378	2.50	-	-
Total Current Investments		255.66		280.16
Total Value of Quoted Current investments		0.41		0.41
Market Value of Quoted Investments		5.73		5.84
Total Value of Unquoted Current investments		255.25		279.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
18 Inventories (valued at lower of cost and net realizable value)		
Consumables and media	1.13	0.48
Total	1.13	0.48
19 Trade receivables		
Trade receivables (Unsecured, considered good unless stated otherwise)		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	90.57	49.99
- Considered doubtful	86.81	74.00
	177.38	123.99
Provision for doubtful receivables	(86.81)	(74.00)
	(A) 90.57	49.99
Other trade receivables	733.99	707.50
	(B) 733.99	707.50
Total	(A + B) 824.56	757.49

Trade receivables include:

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

Sun Direct TV Private Limited	129.43	124.52
Sun Distribution Services Private Limited	84.94	91.46
Kal Publications Private Limited	7.89	7.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	March 31, 2016	March 31, 2015
20 Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	46.45	48.15
On unpaid dividend account	0.39	0.26
Cheques on hand	108.12	0.02
Cash on hand	0.07	0.05
(A)	155.03	48.48
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months*	938.03	710.81
Margin Money Deposit	31.65	27.34
(B)	969.68	738.15
Less: Disclosed under non current assets - Refer note 16	(C) (31.65)	(27.34)
Total	(A+B+C) 1,093.06	759.29
21 Short term Loans and advances (Unsecured)		
Advances recoverable in cash or kind		
Considered good	30.30	32.47
Considered doubtful	11.55	11.47
	41.85	43.94
Provision for doubtful advances	(11.55)	(11.47)
	30.30	32.47
Loans to related parties	1.50	-
Other loans and advances		
Prepaid expenses - Considered good	18.55	15.55
Advance income-tax (net of provision for taxation)	1.42	1.20
Balances with statutory/government authorities		
- Considered good	60.18	60.28
- Considered doubtful	-	2.21
	80.15	79.24
Provision for doubtful balances with statutory and government authorities	-	(2.21)
	80.15	77.03
	111.95	109.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
22 Other Current assets		
Unsecured, considered good unless stated otherwise		
Interest accrued		
- on fixed deposits	8.43	9.83
Other receivables		
- from Related Parties	6.79	6.48
- Others (Refer Note 31)	260.00	-
Unbilled Revenues	68.49	80.30
Total	343.71	96.61
23 Revenue from operations		
Revenues from services		
Advertising income	1,380.51	1,289.35
Broadcast fees	110.03	114.64
International Subscription Revenue	143.42	137.72
Subscription income	815.42	738.00
Income from movie distribution	7.43	0.10
Income from content trading	20.67	16.87
Income from Indian Premier League	92.30	98.70
	2,569.78	2,395.38
24 Other income		
Interest income		
- on bank deposits	76.44	70.07
- on loans to associates	2.59	2.57
- on others	0.15	0.19
Dividend income on current investments	1.86	15.82
Net gain on sale of current investments	11.37	0.82
Gain on foreign exchange fluctuation (net)	4.38	1.45
Liabilities / provisions not required written back	6.51	2.02
Reversal of provision for bad and doubtful debts	1.92	-
Rental Income	2.99	3.31
Business Support Services	1.88	1.65
Miscellaneous Income	0.54	1.01
	110.63	98.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	March 31, 2016	March 31, 2015
25 Cost of Revenues		
Telecast costs	28.98	27.40
Program production expenses	70.30	68.37
Cost of program rights	50.96	48.73
Consumables and media expensed	0.28	0.67
Pay channel service charges	25.44	29.53
Licenses	26.04	22.30
Franchisee fees	85.05	85.05
Others	14.84	5.45
	301.89	287.50

Cost of Revenue excludes amortisation of film production cost, distribution and related rights which is disclosed in Note - 29

26 Employees' benefit expense

Salaries, wages and bonus	112.22	96.07
Gratuity expense (Refer note 39)	1.60	0.88
Contributions to provident fund and other funds	10.23	9.83
Staff welfare expense	2.97	4.30
Directors' remuneration		
- Salary	27.70	27.49
- Ex-gratia / Bonus	116.91	96.51
	271.63	235.08

27 Other expenses

Legal and professional fees	71.25	74.94
(Refer details below for payments made to auditors)		
Travel and conveyance	8.25	9.23
Rent	18.69	15.09
Electricity expense	19.12	18.43
Power and fuel	4.33	8.17
Repairs and maintenance		
- Building	4.28	0.94
- Plant and machinery	11.52	11.00
- Others	9.67	9.64
Communication	3.03	3.32
Utilities	14.18	12.17
Insurance	1.16	0.99
Bad debts / Input credit written off	4.73	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

	March 31, 2016	March 31, 2015
Provisions for claims and litigations	1.08	1.01
Provision for doubtful debts / Movie advances and Other Assets	20.96	10.30
Expenditure on Corporate Social Responsibility (Refer Note - 34)	9.60	5.62
Loss on sale of assets (net) / assets scrapped	1.52	0.39
Rates and taxes	4.07	2.61
Miscellaneous expenses	3.04	4.77
	210.48	188.62
Payment to auditor		
As auditor:		
Audit fee	0.40	0.33
Limited review	0.18	0.18
Service Tax	0.08	0.08
In other capacity:		
Other services (certification fees)	0.10	0.04
Reimbursement of expenses	0.01	0.01
	0.77	0.64
28 Advertisement and marketing expenses		
Advertisement and marketing expenses	11.59	6.94
	11.59	6.94
29 Depreciation and amortization expense		
Depreciation of tangible assets	75.31	89.21
Amortization of intangible assets	429.63	526.10
	504.94	615.31
30 Finance costs		
Interest		
- on loans against deposits	1.76	1.07
- others	0.27	0.69
Bank charges	0.17	0.53
	2.20	2.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

March 31, 2016 March 31, 2015

31 Extraordinary Items

Impairment of Tangible Assets		242.03	-
	(A)	242.03	-
Insurance claim against damaged assets		260.00	-
	(B)	260.00	-
Net extraordinary items	(B) - (A)	17.97	-

During the year, Company's aircraft sustained damage due to floods in Chennai. The determination of the financial effects thereof was pending as at March 31, 2016 in view of highly technical nature of the assessment involved. Subsequent to year end, upon completion of such technical assessment, this aircraft has been assessed as being beyond economic repair and declared a constructive total loss. Accordingly, the carrying value of the aircraft as at the date of the incident of Rs. 242.03 crores has been recorded loss in current year. The Company has recognised insurance claim of Rs. 260 crores based on the in-principle approval received from the insurers. Both of the above have been recorded and disclosed as extraordinary items(net). The management is confident about the collection of the same.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***32 Goodwill / (Capital Reserve) arising on investments of the group in its Associates**

Name of the Associate	March 31, 2016 and March 31, 2015	
	Original Cost of Acquisition	Goodwill / (Capital Reserve)
Deccan Digital Networks (Hyderabad) Private Limited	0.41	0.38
Metro Digital Networks (Hyderabad) Private Limited	0.41	10.30
AV Digital Networks (Hyderabad) Private Limited	0.41	(0.37)
Pioneer Radio Training Services Private Limited	2.86	3.29
Optimum Media Services Private Limited	2.86	17.29
Asia Radio Broadcast Private Limited	2.86	0.35
	9.81	31.24

33 Capital and other commitments

a) Capital Commitments (net of advances)

Particulars	March 31, 2016	March 31, 2015
Outstanding commitments on capital contracts	4.29	6.19
Commitments for acquisition of film and program broadcasting rights	81.52	156.24
	85.81	162.43

b) Export Obligations

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

Accordingly, the Group currently has an export obligation aggregating to Rs.Nil (March 31, 2015 Rs. 42.28 crores)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

d) Franchise rights commitments

As per the terms of the franchise agreement entered into by the Group with the BCCI, the Group has a commitment to pay BCCI, Rs. 85.05 crores per annum from 2013 season to 2017 season. From the 2018 IPL season, the Group is required to pay license fees at 20% on the Franchise Income earned during the relevant year from the operation of the IPL franchise to BCCI. In the current year the Group has paid an amount aggregating to Rs. 25.52 crores as franchise license fee for the 2016 IPL season.

34 Corporate Social Responsibility (CSR)

	March 31, 2016	March 31, 2015
Gross amount required to be spent by the Group during the year	21.94	21.02

Amount Spent during the year on :

	March 31, 2016			March 31, 2015		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (1) above	9.60	-	9.60	5.62	-	5.62
	9.60	-	9.60	5.62	-	5.62

Contribution made to Related Parties: 4.55 1.12

35 Litigations and Claims

Note 1 :

- a) Matters wherein management has concluded the Group's liability to be probable and have accordingly provided for in the books. Refer Note 38
- b) Matters wherein management has concluded the Group's liability to be possible and have accordingly disclosed under Note (2), below
- c) Matters wherein management is confident of succeeding in these litigations and have concluded the liability to the Group to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceeding and claims, in different stages of process, in relation to civil and criminal matters.

Note 2 : Contingent Liabilities

	March 31, 2016	March 31, 2015
Income Tax*	423.75	331.14
Customs Duty** @	63.63	63.63
Service tax***	26.56	28.26
Claims against the Group not acknowledged as debt	0.10	0.10
	514.04	423.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

The Group has also received demand of income tax disallowing certain expenditure claimed in Assessment Year 2013-14. The Group has made an appeal against the said demand and based on the legal advice obtained by it, the management believes that the Group's claim is likely to be accepted by the appellate authorities.

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

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

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

36 Leases**Operating leases (As a Lessee)**

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

Particulars	March 31, 2016	March 31, 2015
Lease payments recognised in the statement of profit and loss for the year	38.49	35.18
Minimum Lease Payments		
Not later than one year	32.89	34.10
Later than 1 year but not later than 5 years	98.52	35.79
Later than 5 years	22.41	16.87

Operating leases (As a lessor)

The Group has leased out certain parts of its owned corporate office building to its related parties. These non cancellable leases have remaining terms of between 1 and 10 years. As per para 46 of Accounting Standard 19 lease issued by the Institute of Chartered Accountants of India, the gross block of such leased property determined based on the area occupied aggregates to Rs. 16.58 crores (Previous Year - Rs. 17.40 crores) and the accumulated depreciation and net book value of the same was amounted to Rs. 5.57 crores (Previous Year - Rs. 5.06) crores and Rs. 11.01 crores (Previous Year - Rs. 12.34 crores) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	March 31, 2016	March 31, 2015
Lease income recognised in the statement of profit and loss for the year	2.75	3.71
Minimum Lease Rentals Receivables		
Not later than one year	2.89	3.32
Later than 1 year but not later than 5 years	13.08	19.23
Later than 5 years	11.28	13.58

37 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, 2016		March 31, 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade Receivables	USD	0.58	38.25	0.47	29.45
Trade Receivables	AUD	0.03	1.36	0.02	1.04
Trade Receivables	CAD	0.01	0.09	0.00	0.00
Trade Receivables	GBP	0.02	1.90	0.02	1.94
Trade Payables	USD	0.01	0.61	0.00	0.00
Advance from customer	USD	0.00	0.00	0.01	0.50
Advance from customer	CAD	0.01	0.08	0.00	0.00
Security Deposits from customers	AUD	0.01	0.25	0.01	0.24
Security Deposits from customers	USD	0.04	2.78	0.03	1.62
Security deposits paid	USD	0.02	1.19	0.03	1.60

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

Nature of Provision	Opening Balance	Provision for the year	Provision written back /adjusted	Closing Balance
Claims related to Service Tax	3.88	1.08	-	4.96
FM License fees	-	2.05	-	2.05
	3.88	3.13	-	7.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***39 Employee benefit plans - Gratuity**

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

Statement of Profit and Loss

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	1.43	1.37
Interest cost on benefit obligation	0.73	0.68
Expected return on plan assets	(0.91)	(0.79)
Net actuarial (gain) / loss recognised in the year	0.35	(0.39)
Net benefit expense	1.60	0.87
Actual return on plan assets	0.87	0.75

Particulars	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	11.32	9.98
Fair value of plan assets	(12.39)	(10.00)
Plan Liability / (Asset)	(1.07)	(0.02)
Experience adjustments on plan liabilities	(0.32)	0.43
Experience adjustments on plan Asset	(0.03)	(0.04)

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening defined benefit obligation	9.98	8.82
Current service cost	1.43	1.37
Interest cost	0.73	0.68
Actuarial (gains) / losses on obligation	0.32	(0.43)
Benefits paid	(1.14)	(0.47)
Closing defined benefit obligation	11.32	9.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Fair value of planned assets at the beginning of the year	10.00	8.04
Expected return on plan assets	0.91	0.79
Contributions	2.65	1.68
Benefits paid	(1.14)	(0.47)
Actuarial gain / (loss) on plan assets	(0.03)	(0.04)
Fair value of plan assets at the end of the year	12.39	10.00

The experience adjustments on plan liabilities and assets, and net (surplus) / deficit for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 are as follows:

Particulars	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation at the end of the period	8.82	7.94	6.86
Fair value of plan assets	(8.04)	(5.88)	(5.12)
Net deficit	0.78	2.06	1.74
Experience adjustments on plan liabilities	0.51	0.24	0.18
Experience adjustments on plan assets	(0.10)	(0.03)	0.03

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

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.80 % - 8.00 %	7.80 % - 8.00 %
Expected rate of return on assets	8.00 % - 9.00 %	8.00 % - 9.00 %
Employee turnover	1.00 % - 3.00 %	1.00 % - 3.00 %

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous year, the Group expects to contribute Rs. 2.15 to the gratuity fund in the next year. However the actual contribution by the Group will be based in the actuarial valuation report received from the insurance company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***40 Related party transactions****Name of related parties****Individual owning an interest in voting power of the Company that gives them control**

Mr. Kalanithi Maran

1. Enterprises in which Key Management personnel or their relatives have significant influence

Kal Comm Private Limited	D.K. Enterprises Private Limited
Kal Cables Private Limited	Sun Foundation
Sun Direct TV Private Limited	Murasoli Maran Family Trust
Udaya FM Private Limited	Kal Media Services Private Limited
Sun Distribution Services Private Limited	Sun Business Solutions Private Limited
SpiceJet Limited (Upto February 23, 2015)	Kal Airways Private Limited
Kal Publications Private Limited	

2. Associates

AV Digital Networks (Hyderabad) Private Limited	Digital Radio (Mumbai) Broadcasting Limited
Asia Radio Broadcast Private Limited	Deccan Digital Networks (Hyderabad) Private Limited
Digital Radio (Kolkata) Broadcasting Limited	Pioneer Radio Training Services Private Limited
Metro Digital Networks (Hyderabad) Private Limited	Digital Radio (Delhi) Broadcasting Limited
Optimum Media Services Private Limited	South Asia Multimedia Private Limited

3. Key Management personnel

Mr. Kalanithi Maran - Executive Chairman
 Mr. K Vijaykumar - Managing Director and Chief Executive Officer
 Mrs. Kavary Kalanithi - Executive Director
 Mr. K Shanmugam - Managing Director of Kal Radio Limited and South Asia FM Limited
 Mr. V C Unnikrishnan - Chief financial Officer
 Mr. R. Ravi - Company Secretary

4. Relatives of Key Management personnel

Mrs. Mallika Maran

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties.

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Income :						
Subscription Income						
Sun Distribution Services Private Limited	229.30	211.47	-	-	-	-
Sun Direct TV Private Limited	209.04	209.93	-	-	-	-
Advertising Income						
SpiceJet Limited	-	0.71	-	-	-	-
Kal Publications Private Limited	0.43	0.42	-	-	-	-
Income from IPL						
SpiceJet Limited	-	8.03	-	-	-	-
Sun Direct TV Private Limited	-	4.00	-	-	-	-
Sun Distribution Services Private Limited	3.00	-	-	-	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	3.00	1.50	-	-
Digital Radio (Mumbai) Broadcasting Limited	-	-	2.00	1.00	-	-
Interest earned						
AV Digital Networks (Hyderabad) Private Limited	-	-	2.58	2.57	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Transactions and balances with related parties.

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Rental and Business Support Income						
Sun Direct TV Private Limited	2.18	2.00	-	-	-	-
Kal Publications Private Limited	1.77	1.59	-	-	-	-
Others	0.83	1.01	-	-	-	-
Movie Content Income						
Sun Direct TV Private Limited	10.28	10.45	-	-	-	-
Program production expenses						
Kal Publications Private Limited	4.40	4.40	-	-	-	-
Pay channel service charges						
Sun Distribution Services Private Limited	22.86	21.26	-	-	-	-
Legal and Professional Fees						
Mrs. Malika Maran	-	-	-	-	0.02	0.02
Mr. K. Shanmugam	-	-	-	-	0.79	0.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Rent Expense						
Kal Publications Private Limited	2.61	2.45	-	-	-	-
Expenditure on Corporate Social Responsibility						
Sun Foundation	4.55	1.12	-	-	-	-
Advertisement expenses						
Kal Publications Private Limited	0.66	0.05	-	-	-	-
Remuneration paid (including ex-gratia)						
Salary - Mr. Kalanithi Maran	-	-	-	-	13.14	13.14
Salary - Mrs. Kavery Kalanithi	-	-	-	-	13.14	13.14
Salary - Mr. K Vijaykumar	-	-	-	-	0.82	0.61
Ex-gratia / Bonus- Mr. Kalanithi Maran	-	-	-	-	58.33	48.13
Ex-gratia / Bonus- Mrs. Kavery Kalanithi	-	-	-	-	58.32	48.12
Ex-gratia / Bonus- Mr. K Vijaykumar	-	-	-	-	0.26	0.26
Salary - Mr. K. Shanmugam	-	-	-	-	0.60	0.60
Salary - Mr. V C. Unnikrishnan	-	-	-	-	0.81	0.73
Salary - Mr. R Ravi	-	-	-	-	0.20	0.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Dividends Paid						
Mr. Kalanithi Maran	-	-	-	-	458.12	399.02
Share in profits / (losses) from Associates						
Deccan Digital Networks (Hyderabad) Private Limited	-	-	2.20	2.72	-	-
Asia Radio Broadcast Private Limited	-	-	0.97	0.90	-	-
Pioneer Radio Training Services Private Limited	-	-	3.11	3.83	-	-
Optimum Media Services Private Limited	-	-	2.59	3.62	-	-
Metro Digital Networks (Hyderabad) Private Limited	-	-	1.83	2.57	-	-
AV Digital Networks (Hyderabad) Private Limited	-	-	(0.07)	(0.11)	-	-
Reimbursement/(Recovery) of Cost of shared services (Net)						
Kal Publications Private Limited	0.62	0.52	-	-	-	-
Travelling Expenses						
SpiceJet Limited	-	1.66	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Channel Placement Fees						
Sun Direct TV Private Limited	-	4.57	-	-	-	-
Balances Outstanding:						
Accounts Receivable						
Sun Direct TV Private Limited	129.43	124.52				
Sun Distribution Services Private limited	84.94	91.46	-	-	-	-
Others	8.58	7.64	-	-	-	-
Other Receivables						
Kal Publications Private Limited	5.90	5.57	-	-	-	-
Sun Direct TV Private Limited	0.83	0.70	-	-	-	-
AV Digital Networks (Hyderabad) Private Limited	-	-	37.04	34.46	-	-
Digital Radio (Delhi) Broadcasting Limited	-	-	-	0.13	-	-
Others	0.06	0.13	-	-	-	-
Rental and other deposits						
Kal Publications Private Limited	0.10	0.10	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associate Companies		Key managerial personnel / Relatives of Key managerial personnel	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Loans advanced						
<i>Kal Publications Private Limited</i>	1.45	-	-	-	-	-
<i>Udaya FM Private Limited</i>	0.04	-	-	-	-	-
<i>Others</i>	0.01	-	-	-	-	-
Security Deposit and Other						
Current Liabilities						
<i>Kal Publications Private Limited</i>	0.05	0.04	-	-	-	-
<i>Sun Direct TV Private Limited</i>	0.05	0.05	-	-	-	-
<i>Others</i>	-	0.62	-	-	-	-
Accounts Payable						
<i>Kal Publications Private Limited</i>	0.20	0.39	-	-	-	-
<i>Sun Distribution Services Private Limited</i>	9.03	10.29	-	-	-	-
<i>Digital Radio (Mumbai) Broadcasting Limited</i>	-	-	0.02	-	-	-
<i>Others</i>	0.02	-	-	-	-	-
Ex-gratia / Bonus Payable						
<i>Mr. Kalanithi Maran</i>	-	-	-	-	58.33	48.13
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	58.32	48.12
<i>Mr. K. Vijayakumar</i>	-	-	-	-	0.26	0.26
<i>Mr. V C Unnikrishnan</i>	-	-	-	-	0.14	0.13
<i>Mr. R. Ravi</i>	-	-	-	-	0.02	0.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

41 Segment information

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

Geographical segments

Year ended March 31, 2016	India	Others	Total
Revenue			
Sales	2,425.60	144.18	2,569.78
Other segment information			
Segment assets	3,968.43	54.54	4,022.97
Total assets			
Capital expenditure:			
Tangible fixed assets	42.02	-	42.02
Intangible fixed assets	438.32	-	438.32
Capital work in Progress	0.73	-	0.73
Year ended March 31, 2015	India	Others	Total
Revenue			
Sales	2,246.53	148.85	2,395.38
Other segment information			
Segment assets	3,606.10	55.97	3,662.07
Total assets			
Capital expenditure:			
Tangible fixed assets	26.12	-	26.12
Intangible fixed assets	396.67	-	396.67
Capital work in Progress	0.05	-	0.05

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016*(All amounts are in crores of Indian Rupees, unless otherwise stated)***42. Additional information required by schedule III to the Companies Act, 2013**

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Sun TV Network Limited	77.30	2933.70	93.17	867.25
Subsidiaries				
Indian				
South Asia FM Limited	4.12	156.55	1.50	13.99
Kal Radio Limited	5.09	193.26	2.31	21.52
Minority Interest in all subsidiaries				
South Asia FM Limited	4.54	172.33	1.82	16.92
Kal Radio Limited	0.08	3.23	0.05	0.49
Associates (investment as per the equity method)				
Indian				
AV Digital Networks (Hyderabad) Private Limited	0.57	21.54	(0.01)	(0.07)
Asia Radio Broadcast Private Limited	0.16	6.00	0.11	0.97
Digital Radio (Kolkata) Broadcasting Limited	-	-	-	-
Metro Digital Networks (Hyderabad) Private Limited	2.35	89.29	0.20	1.83
Optimum Media Services Private Limited	3.18	120.70	0.28	2.59
Digital Radio (Mumbai) Broadcasting Limited	-	-	-	-
Deccan Digital Networks (Hyderabad) Private Limited	2.11	79.90	0.24	2.20
Pioneer Radio Training Services Private Limited	0.50	18.80	0.33	3.11
Digital Radio (Delhi) Broadcasting Limited	-	-	-	-
South Asia Multimedia Private Limited	-	-	-	-
Total	100.00	3,795.30	100.00	930.79

43 Investment in Subsidiaries operating in Radio business

Under the relevant frameworks of the Ministry of Information and Broadcasting of the Government of India ('MIB'), the Company, its subsidiaries and its investees involved in FM Radio operations had submitted applications to migrate existing FM Radio licenses (including six of which expired on March 31, 2015 and others expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime as well as applications for participating in the e-auction process for new FM Radio frequencies in the Phase III licensing regime. The Company has direct / indirect investments in FM Radio operations aggregating Rs 620.20 crores, the recoverability of which is dependent upon maintaining profitable operations.

Two investees of the Company were permitted to participate in e-auction process based on a favourable order of the Delhi High Court. The Union of India's appeal thereagainst has been dismissed by the Hon'ble Supreme Court, thereby setting

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

aside the Government's rejection of the applications citing security reasons; Subsequent to the balance sheet date, (a) two investees have been granted licences in respect of 3 stations, for which the Grant of Permission Agreement ('GOPA') has been signed; (b) the MIB has offered migration of existing licenses owned by the Company's investees to the Phase III licensing regime subject to payment of the requisite fees and compliance with other terms and conditions, which the management is confident of complying with.

With respect to the Company and its subsidiaries, (a) An interim order of the Madras High Court had permitted these Companies to participate in the e-auctions in Phase III. (b) With reference to migration from Phase II to Phase III stated above, the relevant companies have been permitted to continue existing operations by way of interim orders by the Madras High court. While the matter continue to be sub-judice at the Madras High Court, having regard to the recent judgment of the Supreme Court as well post-year end events, in relation to investees of the Company, management is confident of receiving the required approvals against the applications by the Company and its subsidiaries, to enable continued profitable operations of these FM Radio stations and the recoverability of the Company's investments, direct and indirect, in its radio operations.

In the third quarter of the current year, the Company has also made additional investments of Rs 157.80 crores in South Asia FM Limited ("SAFM"), a subsidiary, against a rights issue by SAFM towards funding new licences and the migration plan as per Phase III licensing regime.

44 Provisional Attachment order from Enforcement Directorate

During the quarter ended June 30, 2015, the Company and one of its subsidiaries, South Asia FM Limited ("SAFM"), received an order from the Enforcement Directorate, Ministry of Finance, Government of India, ("Enforcement Directorate") provisionally attaching certain Freehold Land and Buildings of the Company aggregating Rs. 266 crores, and fixed deposits with banks and mutual fund investments of SAFM aggregating Rs. 21.34 crores, under the Prevention of Money Laundering Act, 2002 ("PMLA") in connection with an investigation not involving the Company. With reference to the Provisional Attachment Order ("PAO") under PMLA, the Company has filed a Special Leave Petition ("SLP") challenging the said Order before the Hon'ble Supreme Court of India which has stayed the adjudication proceedings under the PMLA and accordingly the entities continue to be in full possession of these assets. Based on legal advise, management is confident that the said PAO is not legally tenable and is confident of a favourable outcome in due course and, accordingly, is of the view that no accounting adjustments are considered necessary in these financial results in this regard.

45 Prior year comparatives

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

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 27, 2016

For and on behalf of the board of directors

Kalanithi Maran

Chairman

K Vijaykumar

Managing Director &

Chief Executive Officer

R. Ravi

Company Secretary

V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 27, 2016

**STATEMENT PURSUANT TO GENERAL CIRCULAR NO: 2/2011 DATED 8TH FEBRUARY 2011
ISSUED BY MINISTRY OF CORPORATE AFFAIRS RELATING TO SUBSIDIARY COMPANIES**

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

Name of the Company	KAL RADIO LIMITED		SOUTH ASIA FM LIMITED	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Share Capital <i>(Incl. Share application money)</i>	176.94	176.94	615.36	483.86
Reserve & Surplus	19.56	(2.45)	(7.36)	(169.73)
Total Liability(^)	19.27	16.55	27.06	21.48
Total Assets (#)	215.76	191.04	635.06	335.61
Total Income (including other income)	89.24	81.05	102.78	84.11
Profit / (Loss) before Tax	34.24	27.19	30.91	19.50
Provision for Tax	12.24	1.20	-	-
Profit / (Loss) after Tax	22.00	25.99	30.91	19.50
Proposed Dividend (including Dividend Tax)	-	-	-	-
Investments (included in Total Assets)	13.11	33.90	311.84	194.25

^ (Long Term Borrowings + Deferred tax liability (net) + Other Long term Liabilities + Current Liabilities)

(Net Tangible Fixed assets + Net intangible Assets + Capital work in Progress + Non Current Investments + Deferred tax Assets (Net) + Long Term loans and advances + Other Non Current assets + Current Assets)

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Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L22110TN1985PLC012491
2. Name of the Company : Sun TV Network Limited
3. Registered Address : Murasoli Maran Towers
73, MRC Nagar Main Road
MRC Nagar
Chennai - 600028.
4. Website : www.suntv.in
5. Email id : brr@sunnetwork.in
6. Financial Year reported : April 1, 2015 - March 31, 2016
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

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

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

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

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

9. Total number of locations where business activity is undertaken by the Company:

- i. Number of International locations: Nil
- ii. Indian operations of the Company are carried out through over twelve offices located in major commercial hubs of the Country including Bangalore, Chennai, Cochin, Coimbatore, Hyderabad, Madurai, Mysore, New Delhi, Thiruvananthapuram, Tiruchirapalli, Tirunelveli and Visakhapatnam.

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

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

Section B: Financial Details of the Company

1. Paid up Capital (INR) : Rs. 197.04 crores
2. Total turnover (INR) : Rs. 2,403.98 crores
3. Total Profit after taxes (INR) : Rs. 867.25 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 1.11% of its current profit after taxes by way of Donations.

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

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

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

As at March 31, 2016, the Company has two direct subsidiaries namely M/s. Kal Radio Limited and M/s. South Asia FM Limited.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the parent company are not applicable to the subsidiary companies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

As part of the day-to-day functions and operations, the Company ensures that the Business Responsibility and / or related policies including that of CSR are continuously implemented across the different management level and also periodically reviewed for changes.

b) Details of the BR head:

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

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntarily Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Business should promote the well being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Business should engage with and provide value to their customers and consumers in a responsible manner.

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

9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Yes
10	Has the Company carried out Independent audit / evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by the CEO and/or respective Senior Executives.

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

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

3. Governance related to BR:

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

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

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

The BR report is/shall be available at www.suntv.in.

Section E: Principle-wise Performance

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

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

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

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

68 investor complaints were received during the FY 2015-16 all were resolved and no complaint is pending as on date.

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

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

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

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

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

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

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

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

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

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

Not applicable.

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

1. Please indicate the total number of employees:

1906

2. Please indicate the total number of employees hired on temporary / contractual / casual basis:

514

3. Please indicate the number of permanent women employees:

224

4. Please indicate the number of permanent employees with disabilities:

NIL

5. Do you have employee association that is recognized by management?

No

6. What percentage of your permanent employees are members of this recognized employee associations?

Not Applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending as on the end of the financial year:

NIL

8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?

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

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

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

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

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

Yes

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

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

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

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

No

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

No

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

No. The Company is engaged in broadcasting activity.

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

Not applicable. The Company is engaged in broadcasting activity.

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

Not applicable. The Company is engaged in broadcasting activity.

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

Nil

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

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

The Company is a member of

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

The programmes are undertaken through own foundation.

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

No

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

The Company has donated Rs.9.60 Crores as mentioned below to carry out various welfare activities.

Project	Activity	Amount
Chief Minister's National Relief Fund	Relief for Flood Affected People	5,00,00,000
Education to poor children	Promoting Education	4,55,00,000
Others	Relief for Flood Affected People	5,00,000

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

Yes

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

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

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

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

Not applicable

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

None

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

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

For queries related to

Business Responsibility Report:

K. Vijaykumar
Managing Director &
Chief Executive Officer

Tel: 91 44 44676767

E-mail: brr@sunnetwork.in

Compliance:

R. Ravi
Company Secretary &
Compliance Officer

Tel.: 91 44 44676767, Fax: 91 44 40616161

E-mail: ravi@sunnetwork.in