

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kalanithi Maran Chairman & Managing Director
 Kavery Kalanithi Joint Managing Director
 S. Selvam
 S.Sridharan
 M.K.Harinarayanan
 J.Ravindran
 Nicholas Martin Paul

SECRETARY

R.Ravi

BANKERS

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

AUDITORS

M/s S.R. Batliboi & Associates
 Chartered Accountants,
 TPL House, Second Floor,
 3, Cenotaph Road, Teynampet, Chennai - 18

REGISTERED OFFICE

4, Norton Road,
 Mandaveli,
 Chennai - 28

REGISTRAR AND SHARE TRANSFER AGENT

M/s Karvy Computer share (P) Ltd,
 'Karvy House"
 46, Avenue 4,
 Street No.1, Banjara Hills,
 Hyderabad 500 034.

AUDIT COMMITTEE

S.Sridharan Chairman
M.K.Harinarayanan
J.Ravindran
Nicholas Martin Paul

REMUNERATION COMMITTEE

J.Ravindran Chairman
S.Sridharan
M.K.Harinarayanan
Nicholas Martin Paul

INVESTORS GRIEVANCE COMMITTEE

M.K.Harinarayanan Chairman
S. Sridharan
J.Ravindran
Nicholas Martin Paul

SHARE TRANSFER AND TRANSMISSION COMMITTEE

Kalanithi Maran Chairman
Kavery Kalanithi

MANAGEMENT

Kalanithi Maran Chairman & Managing Director
Kavery Kalanithi Joint Managing Director
Ajay Vidyasagar Chief Operating Officer
S.Natrajhen Chief Financial Officer
S.Kannan Chief Technical Officer
Hansraj Saxena Chief Operating Officer – Sun Pictures
R.Ravi Company Secretary and Compliance Officer

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FINANCIAL PERFORMANCE FOR LAST 5 YEARS

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

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
Total Income	14,375.2	10,915.2	9,259.9	7,264.0	3,391.1
Total Expenditure (Excluding Interest & Financial Charges)	5,699.0	4,215.3	3,522.1	3,144.1	1,331.1
Profit before interest and tax	8,676.2	6,699.9	5,737.8	4,119.9	2,060.0
Interest & Financial Charges	12.0	38.9	55.6	30.9	65.0
Profit Before Taxation	8,664.2	6,661.0	5,682.2	4,089.0	1,995.0
Provision for Taxation	2,990.4	2,289.9	2,012.4	1,400.8	692.7
Profit after tax	5,673.8	4,371.1	3,669.8	2,688.2	1,302.3
Earnings Per Share (Face value Rs. 5 /-)	14.40	11.09	9.31	6.85	5.25

Notes:

1. Gemini TV Private Limited and all units and divisions of Udaya TV Private Limited except FM Radio division were merged with the Company effective from 1st April 2006.
2. The equity shares of Rs. 10/- each were subdivided into equity shares of Rs. 5/- each with effect from 15th May, 2007.

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of Sun TV Network Limited will be held at Narada Gana Sabha, 314, TTK Road, Chennai - 600018 on Thursday, the 5th day of August 2010 at 10.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. S. Sridharan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. M. K. Harinarayanan, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. S. R. Batliboi & Associates, Chartered Accountants, Chennai be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration, the amount and timing of which are to be decided by the Audit Committee / Board of Directors of the Company.”

BY ORDER OF THE BOARD

**R. RAVI
COMPANY SECRETARY**

Regd. Office:
4, Norton Road,
Mandaveli, Chennai – 600 028

May 28, 2010

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.**
2. The Register of members and the Share Transfer Books of the Company will remain closed from 24th July 2010 to 5th August 2010 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
3. The Dividend as recommended by the Board of Directors and to be approved by the Shareholders at the Annual General Meeting to be held on Thursday, the 5th August 2010 shall be paid to those members whose names appear on the Register of Members as on the close of 23rd July 2010.
4. Members are requested to quote their DP ID & Client ID/ Folio Numbers in all correspondence with the Company.
5. Members and/or their proxies should bring the Attendance Slips duly filled in for attending the meeting.

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

Name of the Director	Mr. S. Sridharan	Mr. M. K. Harinarayanan
Brief Profile	Mr. S. Sridharan, aged 48 was appointed as a non-executive Independent Director of the Company in January 2006. He has over 22 years of experience and is a member of Madras Stock Exchange Limited. He has served as elected Director in the Board of Madras Stock Exchange Limited from September 1995 to September 2001 and was the Vice President of the Exchange from October 1996 to November 1997.	Mr. M. K. Harinarayanan, aged 46 years, is a non-executive independent Director of the Company and was appointed in January 2006. He hails from a traditional family who pioneered the brick industry in 1941. He is a developer of residential layouts in the western part of Chennai and owns and operates Service Apartments to cater to the present influx of entertainment, communication and IT industries.
Directorships held in other public companies (excluding Private Companies and Foreign Companies)	Nil	Nil
Memberships/ Chairmanships of committees in public companies	He is the Chairman of the Audit Committee and member of the Investors Grievance Committee and Remuneration Committee of Sun TV Network Limited	He is the Chairman of the Investor's Grievance Committee and a member of Audit Committee and Remuneration Committee of Sun TV Network Limited.
Shareholding of Non-Executive Director	Nil	Nil
Relationships between directors inter-se	Nil	Nil

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Silver Jubilee Twenty Fifth Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2010.

FINANCIAL RESULTS

The financial highlights for the financial year ended 31st March 2010 are given below:

(Rs.in Millions)

Particulars	For the year ended	
	31 st March, 2010	31 st March, 2009
Total Income	14,375.2	10,915.2
Total Expenditure (Excluding Interest & Financial Charges)	5,699.0	4,215.3
Profit before interest and tax	8,676.2	6,699.9
Interest & Financial Charges	12.0	38.9
Profit Before Taxation	8,664.2	6,661.0
Provision for Taxation	2,990.4	2,289.9
Profit after tax	5,673.8	4,371.1
Accumulated Profit, beginning of the year	9,833.1	7,051.8
Interim Dividend	(591.1)	(591.1)
Tax on Interim dividend	(100.5)	(100.5)
Proposed dividend	(2,364.5)	(394.1)
Tax on Proposed dividend	(392.7)	(67.0)
Transfer to General Reserve	(567.4)	(437.1)
Profit Carried forward	11,490.7	9,833.1
Earnings Per Share (Face value Rs.5/-)	14.40	11.09

The total Income for the Silver Jubilee year ended 31st March 2010 marked a record growth of 31.70 % at Rs. 14,375.2 millions as against Rs. 10,915.2 millions during the previous year ended 31st March 2009. The year on year growth in Profit before taxes continued to grow and stood at 30.07 % at Rs. 8,664.2 million as against Rs. 6,661.0 millions in the previous year. The Profit after tax was higher by 29.80 % at Rs. 5,673.8 million as against Rs. 4,371.1 million in the previous year after providing for a higher provision towards income tax, deferred tax and fringe benefits tax of Rs. 2,990.4 million for the year ended 31st March 2010 in line with higher profits. The growth in the revenue have been largely a function of the sustained advertising growth and subscription revenue contributed through a well diversified mix of clients (national, regional and local) across multiple product categories.

FINAL DIVIDEND:

For the financial year ended 31st March'2010, the Board of Directors have recommended a Final Dividend of 120 %., i.e., Rs. 6.00 per equity share of face value of Rs.5.00 each in view of the Silver Jubilee year of the Company. This is in addition to the Interim Dividend of 30 %., i.e., Rs.1.50 per equity share of face value of Rs.5.00 each declared on January 20th 2010. This Final Dividend including the Interim Dividend would result in a total dividend of 150%., i.e., Rs.7.50 per equity share of face value of Rs.5.00 each for the financial year ended 31st March 2010 (Prev. Year 50 %., i.e., Rs.2.50 per equity share of face value of Rs.5.00 each).

BUSINESS OVERVIEW

Your Company continues to hold the leadership position as one of the largest Television Broadcasters in India, operating 20 Satellite Television Channels across four languages of Tamil, Telugu, Kannada and Malayalam and presently airing 43 FM radio stations across India. During the financial year 2009-10 Company has floated a wholly owned subsidiary, "Sun TV Network Europe Ltd" in United Kingdom to broadcast and distribute its channels in U.K. and Europe.

The financial year 2009 - 10 also saw your Company's Subsidiary South Asia FM Limited launching 1 more station at Gangtok to complete 43 of the 44 stations across the country.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

DIRECTORS

In accordance with the provisions of Articles of Association of the Company, Mr. S. Sridharan and Mr. M.K.Harinarayan, independent directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Board recommends their reappointment as Directors of your Company.

CORPORATE GOVERNANCE

A Report on Corporate Governance together with Auditors' Certificate on compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is provided elsewhere in the Annual Report.

PARTICULARS OF EMPLOYEES

Sun TV Network Limited had 1987 employees as of March 31, 2010 (previous year 1545). In accordance with the provisions of Section 217(2A) of the Companies Act 1956 and the rules framed there under, the required information is annexed and forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors Report is being sent to all the Shareholders of the Company excluding the said annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

M/s. S.R.Batliboi & Associates, Chartered Accountants, the Auditors of the Company retire at the conclusion of this Annual General Meeting of the Company. Your Board propose their re-appointment as the Statutory Auditors of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has donated a sum of Rs. 8.7 millions to Sun Foundation, a Charitable trust to support the various social welfare activities carried out by the trust.

SUBSIDIARY COMPANIES

The two subsidiaries Kal Radio Limited and South Asia FM Limited together own 41 licenses of which 40 Radio stations were fully operational for the year under review. The Revenues of the two subsidiaries were at Rs. 56.24 crores for the year under review as against Rs.33.17 crores for the previous year ended 31st March 2009. After accounting for the minority interest in South Asia FM Limited the share of loss of the two subsidiaries (Kal Radio Limited and South Asia FM Limited) is Rs. 39.43 crores as against Rs. 68.78 crores in the previous year.

Your subsidiaries also re-branded their 37 FM radio stations situated outside Tamilnadu and Pondicherry to "RED FM" to ensure uniformity of the brand across India. South Asia FM Limited obtained necessary approvals from the Government of India to increase the stake of M/s. South Asia Multimedia Media Technologies Limited from 6.98% to 20%. This was achieved partly by infusion of cash, share transfers, issue of preference shares and by capitalization of loans into Compulsorily Convertible Preference Shares. Consequent to this, the stake of Sun TV Network Limited in South Asia FM Limited stands reduced to 59.15% and South Asia FM Limited became debt free Company.

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as specified in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

During the current year your Company has incorporated a wholly owned subsidiary "Sun TV Europe Limited" in United Kingdom to Broadcast and distribute its channels in U.K. and Europe.

CONSOLIDATED FINANCIAL STATEMENTS

As required by the listing agreement with the Stock Exchanges, the Audited Consolidated Financial Statements prepared in accordance with Accounting Standard 21 notified by the Companies Accounting Standard Rules, 2006 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 Chairman and Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49(v) of the listing agreement.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of section 58A of the Companies Act, 1956 during the financial year ended 31st March 2010.

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

(A) CONSERVATION OF ENERGY

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	: Rs. 560.3 Million
	(Previous year Rs. 2,592.5 Million)
Foreign Exchange Outgo	: Rs. 651.9 Million
	(Previous year Rs. 3,059.69 Million)

ACKNOWLEDGMENT

Your Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels in maintaining the sustained growth of your Company and remain in the forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments – mainly the Ministry of Information and Broadcasting and the Department of Telecommunication – and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors, service providers as well as regulatory and governmental authorities.

On behalf of the Board

Place : Chennai
Date : May 28, 2010

Kalanithi Maran
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

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

The figures have been stated in Rs. Millions in the MD&A for better readability.

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

INDUSTRY

The media and entertainment industry is one of the fastest growing industries in the world. The increasing advent of new technologies and new and extensive uses of media by corporate provide both opportunities and challenges to the media and entertainment industry. Indian Entertainment Industry (M&E) post reforms has made tremendous strides. The components of M&E industry are film, television, advertising, print media and music. The rapid growth of the television industry has made it the most significant component, of M&E in value terms. The Television Industry with increased hours of mass entertainment programming during prime time and better coverage of popular events has seen an explosive growth in consumer mindshare. Its status as the preferred mode of entertainment of the people is obvious from the fact that it now contributes more than 60 percent of the entertainment industry's revenues. Television the major contributor to the overall industry revenue is estimated to grow at a stable rate over the next five years resulting in increased viewership having wider range of channels to select from. The television industry is now ready to advance to the next stage of its evolution, grasp the opportunities presented by the digital age and completely change the home entertainment landscape. Over the next few years, cable and satellite, along with emerging delivery platforms like DTH and IP-TV are expected to revolutionize the industry and it is expected that digital television connectivity would reach every nook and corner of India. Mobile TV where picture can be relayed to mobile phones is in the early stage of development and has got a tremendous future.

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 20 channels spread across four languages and in six genres of GEC, news, music, movies, kids and comedy. Sun Network also has a large network pan India in the FM Radio broadcasting segment with 44 FM licenses along with its subsidiaries. Sun Network continues to capitalize on its leadership position, built over the years, by fortifying its hold over key aspects of pricing and access to quality content. Sun Network has a distinct advantage in the southern regional markets on account of its strong understanding of the flavor and with key competitive strengths including that of a large movie library of regional languages. Sun Network is the preferred choice for content providers as it is the only player with maximum reach in the areas it operates.

OPPORTUNITIES AND THREATS

Opportunities:

The ever evolving technologies in television open more opportunities and challenges. The M&E industry is ready to zoom at a very fast pace catalyzed by many factors like convergence of media, films, digital media and increase in broadband penetration thus helping it to become a front runner. The fact that significant households of India are still without television connectivity highlights the scope of growth in the segment. The majority of the revenue generated in the television industry is through advertisements, followed by subscription. Strong growth projected in DTH segment would result in substantial increase in subscription revenue over the years to come. Increasing interest in regional content among Indian population across the borders, results in increased overseas viewership thereby attracting foreign investment. Radio broadcasting in India which is still in its infancy is evolving to be a revenue spinner in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Threats:

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

Advertising income continue to be the major source of Sun Network's revenues, which could decline due to a variety of factors.

The commercial success of Sun Network depends on our ability to cater to viewer performance and maintain high audience shares which could be affected.

The competition and increasing prices may adversely affect our ability to acquire desired programming and artistic talent.

Sun Network operates in an intensely competitive industry.

Sun Network is a regional broadcaster, which may limit our opportunities for growth as well as our attractiveness to advertising customers and others.

Technological failures could adversely affect our business.

Our inability to effectively deploy and manage funds could affect our profitability.

SEGMENT

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

OUTLOOK

Sun Network with a dominant market share in the four southern states of India (Tamil Nadu, Kerala, Karnataka and Andhra Pradesh), plays a prominent role in the recent strong growth witnessed in the regional media markets in India. Its presence across genres like general entertainment, movies, music and news ensure continued and sustained viewership. A steady flow of highly popular programs and a dominant share of audience viewership have given the network tremendous pricing power vis-a-vis competitors.

As the largest regional television network, Sun Network would be one of the major beneficiaries of the recent growth in the DTH space. With the entry of new players like Reliance Big TV, Bharti and others into the DTH market, it is expected that this new stream of revenue for the Company arising from the increased DTH subscriber base in South India would maintain a positive momentum in the coming years.

FINANCE AND HUMAN RESOURCE

Finance:

The total Income for the year ended 31st March 2010 amounted to Rs.14,375.2 millions as against Rs. 10,915.2 millions during the previous year ended 31st March 2009. The Profit after tax was at Rs. 5,673.8 millions for the year ended 31st March 2010 as against Rs.4,371.1 millions in the previous year. The Board of Directors has recommended a Final Dividend of 120 %, i.e., Rs.6.00 per equity share of face value of Rs.5.00 each. This Final Dividend together with the Interim Dividend of 30 %, i.e., Rs.1.50 per equity share of face value of Rs.5.00 each declared on 20th January 2010 would result in a total dividend of 150 %, i.e., Rs.7.50 per equity share of face value of Rs.5.00 each for the financial year ended 31st March 2010. (Prev. Year of 50. %, i.e., Rs 2.50 per equity share of face value of Rs.5.00 each.). The Reserves and Surplus of the Company as on 31st March 2010 stood at Rs.18,179.7 millions as against Rs. 15,954.7 millions as on 31st March 2009.

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

At Sun Network, with 1987 employees, human resources are the key asset capital and an important business driver for the Company's sustained growth and profitability. Hence, we at Sun Network believe that training, like all organizational development processes cannot be a function of time, but rather an ongoing process with the developmental needs and business planning processes being formalized constantly. A continuous review of the monitoring process is underway and procedures and systems are being institutionalized across the organization.

FINANCIAL REVIEW & RISK MANAGEMENT (INCLUDING INTERNAL CONTROL)

Separate report on this is annexed

On behalf of the Board

Place : Chennai

Date : May 28, 2010

Kalanithi Maran

Chairman & Managing Director

FINANCIAL REVIEW 2009-10

(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

The Financial highlights during the year under review comprised:
 (All amounts are in millions unless otherwise stated)

A 31.70 per cent growth in Total Income
 Increase in Profit before taxes by 30.07 per cent
 Increase in Profit after taxes by 29.80 per cent

EARNINGS

Total Income

Total Income grew from Rs. 10,915.2 million to Rs. 14,375.2 million, a 31.70 per cent increase, 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)

PBT increased from Rs. 6,661 million to Rs. 8,664.2 million, with a 30.07 per cent increase and PAT increased from Rs. 4,371.1 million to Rs. 5,673.8 million, a 29.80 per cent increase, despite the difficult economic scenario.

Dividend

The outgo on account of interim and final dividend including dividend tax is Rs. 3,448.8 million (previous year Rs. 1,152.7 million).

FINANCIAL POSITION

Shareholder's Funds

Shareholders' Fund as on 31st March 2010 was Rs. 20,150.1 million. (previous year Rs. 17,925.1 million).

Loan funds

The Company is debt free and had no loan funds – secured or unsecured as on 31st March 2010 (previous year Rs. Nil)

Assets

Net block of fixed assets were at Rs. 5,072.4 million. The net addition to fixed assets for the year was Rs. 1,408.8 million. The capital expenditure was funded through internal accruals and deployment of IPO proceeds. Net block of intangible assets and capital work in progress (including capital advances and intangible assets under development) as on 31st March, 2010 were at Rs. 1,477.4 and 3,113.9 million respectively.

RATIOS

Earnings per share

The Earnings per share of face value of Rs. 5.00 for the year ended 31st March 2010 is Rs. 14.40 (previous year Rs 11.09).

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 Ltd's (Sun Network) business is also impacted by a number of factors. Given below is an overview of some of the major risks affecting any business and Sun's position vis-à-vis these risks.

FINANCIAL REVIEW 2009-10

(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

PRINCIPAL RISKS AND THEIR MITIGATION

STRATEGIC RISK

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

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

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

Risk Mitigation

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

OPERATIONAL RISK

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

Risk Mitigation

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

FINANCIAL RISK

Capital Intensity Risk

Consumption of more cash than they generate by the Company's business could create liquidity constraints.

Risk Mitigation

The revenue streams of the Company ensures sustained cash flow that generates sufficient cash accruals to meet the annual capex requirements which is also supplemented by the deployment of the IPO proceeds. With its zero debt position the company will be able to leverage any debt requirements.

FINANCIAL REVIEW 2009-10
(Pursuant to clause 49(11) (E) (1) of the Listing Agreement)

Leverage Risk

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

Risk Mitigation

The company is a zero debt company.

Receivable Risk

A long debtor's cycle could potentially affect the Company's cash flow, while sales to suspect customers could translate into bad debt.

Risk Mitigation

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

LEGAL AND STATUTORY RISKS**Risk on contractual liabilities**

The risk arising out of contracts that impose onerous responsibilities.

Risk Mitigation

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

Compliance failure risk

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

Risk mitigation

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

INTERNAL CONTROL

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

Risk mitigation

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislations. The Company has implemented SAP ERP system, which ensures significant process, and system controls are in place. Independent Internal audit is carried out to ensure adequacy of internal control system and adherence to policies and practices. The Audit Committee reviews the functioning of the internal audit function.

On behalf of the Board

Place : Chennai
Date : May 28, 2010

Kalanithi Maran
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

Corporate Governance 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.

Corporate Governance an integral part of Management is intended to ensure value creation for its stakeholders. 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 Directors of our Company composed of Five Non-executive and two Executive Directors. The Chairman of the Board is an Executive Director and Four Non-executive Directors are independent Directors as per the criteria of independence stated in the listing agreement. The optimum combination of Executive, Non-executive and independent Directors ensure independence of the Board and separation of Board function of governance and management.

Board Meetings

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

24th June 2009, 29th July, 2009, 10th August, 2009, 28th October, 2009, and 20th January, 2010.

Attendance of each Director at the Board meetings and last AGM and the number of companies and committees where he/she is a Director/Member.

Name of the Director	Category	Attendance		No. of Directorships in public limited companies including this company	Committee Memberships (including this Company)	
		Board	AGM		Chairman	Member
Kalanithi Maran	Chairman and Managing Director	5	Yes	3	2	Nil
Kavery Kalanithi	Joint Managing Director	5	Yes	3	2	2
S.Selvam	Director	2	Yes	1	Nil	Nil
S.Sridharan	Independent Director	5	Yes	1	1	2
J.Ravindran	Independent Director	5	Yes	3	1	5
M.K.Harinarayanan	Independent Director	5	Yes	1	1	2
Nicholas Martin Paul	Independent Director	5	Yes	1	Nil	3

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

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

Code of Conduct

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

Prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, our Company has adopted a Code of Conduct for prevention of Insider Trading. This Code is applicable to all Board members/officers/designated employees. The objective of this code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

Secretarial Standards relating to Board Meetings

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

3. Audit Committee

Composition , Names of Members and Chairman

The Audit Committee comprises of Mr.S. Sridharan, Mr.M.K.Harinarayanan, Mr.J.Ravindran and Mr.Nicholas Martin Paul, all are non-executive independent Directors of the Company with Mr.S. Sridharan as its Chairman.

Meetings and the attendance during the year

Four meetings of the Audit Committee were held during the year 24th June, 2009, 29th July, 2009, 28th October, 2009 and 20th January, 2010.

Name of the Director	No. of Meetings attended
S. Sridharan	4
M.K.Harinarayanan	4
J.Ravindran	4
Nicholas Martin Paul	4

Brief description of terms of reference

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 292 A of the Companies Act, 1956. The role of Audit Committee is as prescribed under Clause 49(II)(D) of the Listing Agreements.

4. Remuneration Committee and Remuneration Policy

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

REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

This Committee comprises entirely of Independent Directors. The Committee met on 23rd June 2009.

The names and attendance of committee members are given below:

Name of the Member	No of Meetings attended
J.Ravindran	1
M.K.Harinarayanan	1
S.Sridharan	1
Nicholas Martin Paul	1

Remuneration to Directors

The Remuneration paid /payable to the Chairman and Managing Director for the year ended 31st March 2010 is as follows:

	(Rs. in Million)
Salary	108.6
Perquisites and other allowances	262.2
Total	370.8

The Remuneration paid/payable to the Joint Managing Director for the year ended 31st March 2010 is as follows:

	(Rs. in Million)
Salary	108.6
Perquisites and other allowances	262.2
Total	370.8

Mr. Kalanithi Maran, Chairman and Managing Director (CMD) and Mrs.Kavery Kalanithi, Joint Managing Director (JMD) have submitted to the Remuneration Committee and the Board of Directors of their desire to limit their remuneration for the Financial year 2009 -10 to be the same as the remuneration earned in the previous Financial year 2008 – 09 aggregating to Rs.741.6 million as against their entitlement of Rs.948.0 million. This is in line with their desire to moderate their compensation for the period. The same has been placed at the Remuneration Committee and the Board of Directors and approved by them.

The Remuneration paid /payable to Non –Executive Directors for the year ended 31st March 2010 is as follows

	(Rs.in Million)
Name of the Director	Sitting fee *
S. Sridharan	0.028
M. K. Harinarayanan	0.028
J. Ravindran	0.028
Nicholas Martin Paul	0.028
S. Selvam	0.004

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

* includes sitting fee paid for attending Committee Meetings.

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

5. Investor / Shareholder's Grievance Committee

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

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

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

The Committee met on 4 occasions during the year on 23rd June, 2009, 28th July, 2009, 27th October, 2009 and 19th January, 2010. The names and attendance of Committee members are given below:

Name of the Director	No. of Meetings attended
M. K. Harinarayanan	4
J. Ravindran	4
S. Sridharan	4
Nicholas Martin Paul	4

During the year, the Company received 14 Complaints mostly pertaining to non credit of shares into demat account of the respective shareholder due to mismatch in demat account and non receipt of dividend warrants and few complaints like non receipt of annual reports etc., All of these complaints have been dealt with satisfactorily and there were no complaints pending as on 31.03.2010.

6. Share Transfer and Transmission Committee.

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

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

The Committee met on 5 occasions during the year on 30th April 2009, 30th May 2009, 2nd September 2009, 3rd December 2009, and 9th March 2010. The names and attendance of Committee members are given below:

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

7. General Meetings

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

REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Year	Meeting	Location	Date	Time
2008 - 09	AGM	Narada Gana Sabha, 314, T T K Road, Chennai - 600 018.	25.09.2009	10.00 am
2007 - 08	AGM	Narada Gana Sabha, 314, T T K Road, Chennai - 600 018.	27.08.2008	10.00 am
2006 - 07	AGM	Beach Park, 2/226, Chinnandikuppam Road, Vettuvankeni, Chennai - 41.	06.08.2007	10.00 am

Special Resolution passed in the previous Three Annual General Meeting

At the Annual General Meeting held on 6th August 2007, a special resolution was passed by the members for issue of upto 1, 57, 00,000 equity shares of face value of Rs. 5/- each of the Company to result into the dilution of not more than 4% to persons other than shareholders pursuant to section 81 of the Companies Act, 1956. However, the special resolution was not given effect to.

8. Disclosure

- There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- There has been no non-compliance by the Company or penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The company has complied with all mandatory requirements. Adoptions of non-mandatory requirements are provided under item no.12 of this report.

9. 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

10. Management Discussion and Analysis Report

Management Discussion and Analysis report is annexed

11. Shareholders Information

The details are enclosed elsewhere in the report

12. Non Mandatory Requirements

1. The Board – Chairman's Office

The Chairman of Sun Network is an Executive Director and hence this provision is not applicable.

REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

2. Remuneration Committee

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

3. Shareholders Rights

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

4. Audit Qualification

The Auditors have not qualified the financial statements of the Company

On behalf of the Board

Place : Chennai

Date : May 28, 2010

Kalanithi Maran

Chairman & Managing Director

GENERAL SHAREHOLDERS INFORMATION

- ♦ **Registered Office of the Company**

4, Norton Road, Mandaveli,
Chennai – 600 028
Tel: 2464 8181 Fax: 2464 8282

- ♦ **Forthcoming Annual General Meeting**

5th, August, 2010
Narada Gana Sabha
314, T.T.K.Road, Chennai – 600 018

- ♦ **Financial Year**

1st April 2009 to 31st March 2010

- ♦ **Book Closure Dates**

From 24th, July 2010 to 5th, August 2010 (both days inclusive)

REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Dividend

The Final Dividend for the year ended 31st March 2009 as declared at the Annual General Meeting held on 25th September 2009 at Rs.1/- per equity share of Rs. 5/- each (at the rate of 20%) of the face value of the equity shares of the Company has been paid to the Shareholders on 1st October 2009.

For the year ended 31st March 2010, the Board of Directors at their Meeting held on 20th January 2010, declared an Interim Dividend at Rs. 1.50 per equity share of Rs. 5/- each (at the rate of 30%) of face value of the Company has been paid on 3rd February 2010.

The Board of Directors have for the year under review also recommended a Final Dividend at Rs. 6/- per equity share of Rs. 5/- each (at the rate of 120%) of the face value and the same will be paid after approval by the Members of the Company at the ensuing Annual General Meeting.

Instruction to Shareholders

Shareholders holding shares in physical form

Please notify the change in your address to the Company's registrar Karvy Computer share Private Limited, if any, immediately and not later than 15th July 2010 to enable them to forward the dividend warrants to your present address. Members are also advised to intimate M/s Karvy Computer share Private Limited the details of their bank account to enable the same to be incorporated in the dividend warrants. This would help to prevent any fraudulent encashment of dividend warrants.

Shareholders holding shares in demat form

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

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

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

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

Listing on Stock Exchanges and Stock Code

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

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

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Depositories Connectivity

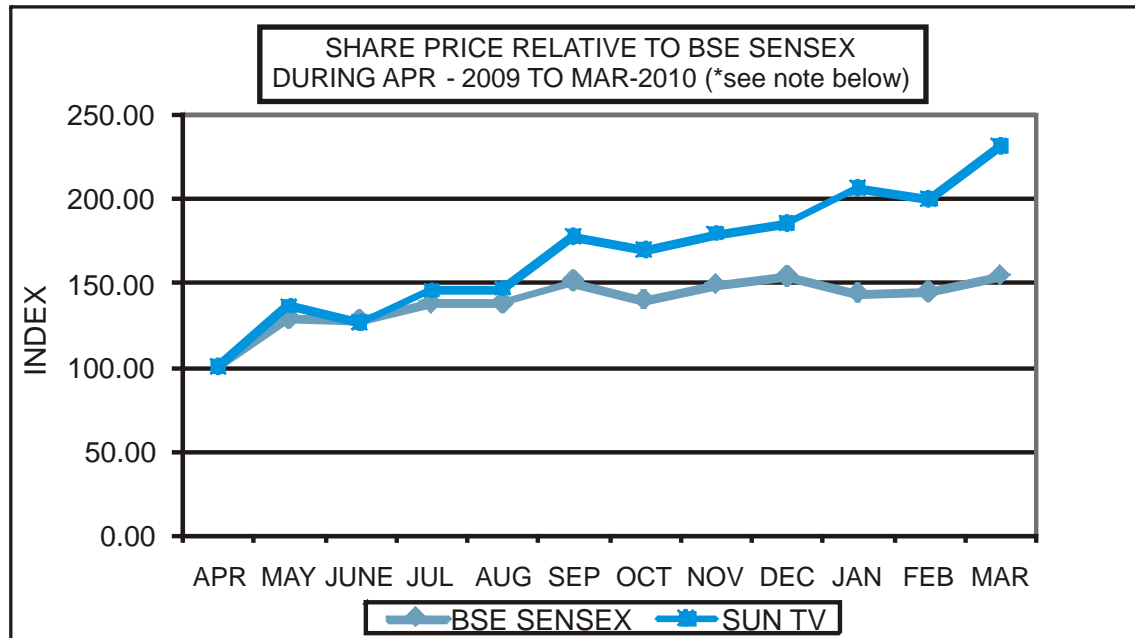
National Securities Depository Ltd. (NSDL)
Central Depository Services (India) Ltd. (CDSL)
ISIN : INE424H01027

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

	B.S.E			N.S.E		
Month	High	Low	Traded Volume (No. of shares)	High	Low	Traded Volume (No. of shares)
Apr-09	211	164	1,386,679	212	166	3,556,672
May-09	280	186	1,302,678	279	187	5,170,794
Jun-09	285	228	4,202,992	285	226	5,170,794
Jul-09	276	210	5,343,754	276	210	9,051,756
Aug-09	284	255	1,699,660	285	245	5,034,582
Sep-09	342	270	1,565,642	342	269	5,217,798
Oct-09	371	310	666,548	373	312	3,228,678
Nov-09	363	304	944,676	344	304	5,306,148
Dec-09	351	319	457,908	350	318	2,290,148
Jan-10	421	340	2,332,709	421	340	7,507,633
Feb-10	439	369	1,082,639	415	354	6,096,274
Mar-10	444	370	477,491	437	369	7,802,459

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Performance in comparison with BSE SENSEX



*The closing value for April is taken as 100. The values, for the months, from April' 09 to Mar' 10, are worked out as a percentage, keeping the Base Value for Apr' 04 as 100.

Share Transfer Process

The physical transfers and other requests from the Shareholders are processed by Karvy Computershare Private Ltd.

The Board delegated the power to approve the transfers to the Share Transfer Committee and the transfers are approved as and when necessary.

A Practicing Company Secretary 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.

Shareholding pattern and financial results are being uploaded in "Electronic Data Information Filing and Retrieval" (EDIFAR) quarterly and annually respectively.

As per SEBI's instructions, the Company's Shares can be sold through stock exchange only in dematerialized form.

REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Shareholding pattern/ Distribution

Shareholding pattern as on 31.03.2010

Category	% to total Capital
Promoter Group	77.00
Financial Institutions / Bank	0.00
Non Residents (NRI / OCB / FIIS)	8.05
Mutual Funds	4.51
Others	10.44
Total	100.00

Distribution of Shareholding as on 31.03.2010

Category	No. of Holders	% to total	No. of Shares	% to total
1-10000	30754	99.18	2127519	0.54
Above 10000	253	0.82	391957101	99.46
Total	31007	100	39,40,84,620	100

Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Ltd. (CDSL) to provide the facility of holding equity shares in dematerialization form.

A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

As on 31st March 2010, 39,40,83,707 equity shares constituting 99.999% of the total paid up capital of the company have been dematerialized. All the equity shares except the locked in shares of 2,96,32,008 are freely tradable.

Outstanding GDRs/ADRs etc

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

REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Address for correspondence

Compliance Officer

Mr.R.Ravi,
Company Secretary,
Sun TV Network Limited,
4, Norton Road, Mandaveli
Chennai – 600 028.
Tel: 2464 8181 Fax: 2464 8282
Email: ravi@sunnetwork.in
www.suntv.in

Registrars and Share Transfer Agents

M/s Karvy Computer share Private Limited
"Karvy House"
46, Avenue 4, Street No.1, Banjara Hills,
Hyderabad 500 034.
Tel: (040) 23312454 Fax: (040) 23311968
Email: mailmanager@karvy.com
www.karvycomputershare.com

On behalf of the Board

Place : Chennai
Date : May 28, 2010

Kalanithi Maran
Chairman & Managing Director

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 2010, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

On behalf of the Board

Place : Chennai
Date : May 28, 2010

Kalanithi Maran
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

AUDITORS' CERTIFICATE

To

The Members of Sun TV Network Limited

We have examined the compliance of conditions of Corporate Governance by Sun TV Network Limited, for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W

Chartered Accountants

per S Balasubrahmanyam

Partner

Membership No.:053315

Chennai

May 28, 2010

AUDITORS' REPORT

To
The Members of Sun TV Network Limited

1. We have audited the attached Balance Sheet of Sun TV Network Limited ('the Company') as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

AUDITORS' REPORT (Continued)

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

per S Balasubrahmanyam
Partner
Membership No.:053315

Chennai
May 28, 2010

Annexure referred to in paragraph 3 of our report of even date

Re: Sun TV Network Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) Management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to three Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,878.9 million and the year- end balance of loans granted to such Companies was Rs. 30.9 million.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
- (c) The loan granted, including interest, are repayable on demand as per the agreement between the parties. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent.
- (d) There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) and (g) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

Annexure to Auditors Report (Continued)

- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products / services of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to sales tax are not applicable to the Company. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed 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 and customs duty, on account of any dispute, are as follows:

Annexure to Auditors Report (Continued)

Name of the statute	Natures of dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	190.0	FY 2005 – 06	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	387.0	FY 2006 – 07	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	5.8*	FY 2002 – 03	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	4.9*	FY 2004 – 05	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Differential customs duty	5.0	FY 2007 – 08	Customs Excise and Service Tax Appellate Tribunal

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

*Out of the above, an amount of Rs. 10.7 million has been deposited with the concerned authorities.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company does not have dues to a financial institutions or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

Annexure to Auditors Report (Continued)

- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

S.R. BATLIBOI & ASSOCIATES**Firm registration number: 101049W****Chartered Accountants****per S Balasubrahmanyam****Partner**

Membership No.:053315

Chennai

May 28, 2010

BALANCE SHEET AS AT MARCH 31, 2010*(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)*

	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds :			
Share capital	1	1,970.4	1,970.4
Reserves and surplus	2	18,179.7	15,954.7
		20,150.1	17,925.1
Deferred tax liability (net)	3	339.1	261.0
		20,489.2	18,186.1
APPLICATION OF FUNDS			
Fixed assets :			
	4		
Gross block		8,013.6	6,604.8
Less: Accumulated Depreciation		(2,941.2)	(2,235.0)
Net block		5,072.4	4,369.8
Intangible assets :			
	5		
Gross block		7,595.7	5,146.1
Less: Accumulated Amortisation		(6,118.3)	(4,043.7)
Net block		1,477.4	1,102.4
Capital work-in-progress (including capital advances) and intangible assets under development		3,113.9	1,518.7
		9,663.7	6,990.9
Investments	6	5,066.4	2,584.8
Non-current assets	7	300.0	232.8
Current assets, Loans and Advances :			
Inventories	8	3.3	1.3
Sundry debtors	9	3,001.8	2,246.8
Cash and bank balances	10	4,242.0	3,639.0
Other current assets	11	1,399.2	1,328.7
Loans and advances	12	1,130.0	3,109.9
		9,776.3	10,325.7
Less: Current liabilities and provisions :			
Current liabilities	13	(1,550.1)	(1,480.8)
Provisions	14	(2,767.1)	(467.3)
Net current assets		5,459.1	8,377.6
		20,489.2	18,186.1

Notes to the financial statements: 22

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

As per our report of even date.

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

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
 Membership No.: 053315

Kalanithi Maran
 Chairman and
 Managing Director

Kavery Kalanithi
 Joint Managing
 Director

R. Ravi
 Company Secretary

Chennai
 May 28, 2010

Chennai
 May 28, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, except earnings per share and Unless otherwise stated)

	Schedule	March 31, 2010	March 31, 2009
Income			
Revenues	15	13,950.1	10,082.0
Other income	16	425.1	833.2
Total Income		14,375.2	10,915.2
Expenditure			
Cost of revenues	17	888.8	816.6
Employees' remuneration and benefits	18	1,160.1	1,020.3
General and administration expenses	19	718.9	490.0
Selling expenses	20	76.8	39.2
Financial charges	21	12.0	38.9
Depreciation on fixed assets	4	718.3	507.0
Amortisation of intangible assets	5	2,136.1	1,342.2
Total Expenditure		5,711.0	4,254.2
Profit before tax		8,664.2	6,661.0
Provision for taxation			
- Current tax		2,912.3	2,034.0
- Deferred tax charge / (credit)		78.1	249.6
- Fringe benefit tax		-	6.3
Total tax expense		2,990.4	2,289.9
Profit after tax		5,673.8	4,371.1
Accumulated profit, beginning of the Period		9,833.1	7,051.8
Profit Available for Appropriations		15,506.9	11,422.9
Appropriations:			
Interim dividend		(591.1)	(591.1)
Tax on interim dividend		(100.5)	(100.5)
Proposed dividend		(2,364.5)	(394.1)
Tax on proposed dividend		(392.7)	(67.0)
Transfer to general reserve		(567.4)	(437.1)
Profit carried forward to Balance Sheet		11,490.7	9,833.1
Earnings per share information:			
Net profit attributable to equity shareholders		5,673.8	4,371.1
Weighted average number of equity shares outstanding		394,084,620	394,084,620
Basic and diluted earnings per share	Rs.	14.40	11.09
Nominal value of equity share	Rs.	5.00	5.00

Notes to the financial statements: 22

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

As per our report of even date.

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

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
 Membership No.: 053315

Kalanithi Maran
 Chairman and
 Managing Director

Kavery Kalanithi
 Joint Managing
 Director

R. Ravi
 Company Secretary

Chennai
 May 28, 2010

Chennai
 May 28, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010*(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)*

	March 31, 2010	March 31, 2009
Cash flows from operating activities		
Net profit before taxation	8,664.2	6,661.0
Adjustments for:		
Depreciation on fixed assets	718.3	507.0
Amortisation of intangible assets	2,136.1	1,342.2
(Profit)/loss on sale of fixed assets	(3.5)	(162.6)
Translation loss/(gain) on monetary assets and liabilities	6.2	(2.4)
Provision no longer required, written back	-	(23.0)
Reversal of provision for bad debts	-	(21.5)
Provision for doubtful debts	37.3	-
Provision for doubtful advances and assets	52.0	23.8
Bad debts written off	155.3	27.0
Interest income	(392.4)	(551.6)
Dividend income	(17.2)	(0.1)
Interest expense	6.7	36.6
Operating profit before working capital changes	11,363.0	7,836.4
(Increase)/Decrease in sundry debtors	(853.5)	254.2
(Increase)/Decrease in inventories	(2.0)	1.4
(Increase)/Decrease in non current assets	1,882.2	1,485.7
(Increase)/Decrease in other current assets	(1,857.8)	(1,710.0)
(Increase)/Decrease in loans and advances	(86.7)	83.4
Increase/(Decrease) in current liabilities and provisions (Refer note c below)	154.9	180.4
Cash generated from operations	10,600.1	8,131.5
Direct taxes paid (net of refunds)	(2,810.6)	(2,017.1)
Net cash from/(used in) operating activities	7,789.5	6,114.4
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances) and expenditure on intangible assets under development	(3,091.6)	(4,607.6)
Purchase of intangible assets	(2,705.6)	(2,214.2)
Purchase of investments	525.8	-
Advance against equity	-	(110.0)
Proceeds from sale of assets (Net of expenses on sale)	5.2	2,167.6
Intercompany deposits placed	(48.2)	(483.4)
Loan and advances to subsidiaries	(27.1)	-
Term deposits placed with banks during the year	(4,152.8)	(5,336.5)
Term deposits refunded from banks during the year	3,533.0	6,054.4
Interest received	343.7	483.4
Dividends received	17.2	0.1
Net cash from/(used in) investing activities	(6,652.0)	(4,046.2)
Cash flows (used in) / from financing activities		
Loans availed	1,514.5	7,292.5
Loans repaid	(1,514.5)	(7,292.5)
Proposed dividends paid	(394.1)	(985.2)
Tax on proposed dividends paid	(67.0)	(167.4)
Interim dividends paid	(591.1)	(591.1)
Tax on interim dividends paid	(100.5)	(100.5)
Interest paid	(6.7)	(36.6)
Net cash (used in) / from financing activities	(1,159.4)	(1,880.8)
Net (decrease) / increase in cash and cash equivalents	(21.9)	187.4
Cash and cash equivalents at the beginning of the year	345.2	157.8
Cash and cash equivalents at the end of the year	323.3	345.2

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010*(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)*

	March 31, 2010	March 31, 2009
Notes:		
a) The reconciliation to the cash and bank balances as given in Schedule 10 is as follows :		
Cash and bank balances, per Schedule 10	4,242.0	3,639.0
Add : Effect of changes in exchange rate on cash and cash equivalents	(6.5)	(1.4)
Less : Term deposits placed with banks	(3,912.2)	(3,292.4)
Cash and cash equivalents, end of year	323.3	345.2
b) Components of cash and cash equivalents		
Cash and cheques on hand	0.6	36.2
With banks - on current account	322.2	308.5
- on unpaid dividend accounts (restricted)*	0.5	0.5

c) Adjustments for increase/decrease in current liabilities related to acquisition of fixed assets have been made to the extent identified.

*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
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
 Membership No.: 053315

Chennai
 May 28, 2010

Kalanithi Maran
 Chairman and
 Managing Director

Chennai
 May 28, 2010

Kavery Kalanithi
 Joint Managing
 Director

R. Ravi
 Company Secretary

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
March 31, 2010 March 31, 2009
1 Share capital

Authorised

450,000,000 equity shares of Rs 5/- each (March 31, 2009 - 450,000,000 of Rs. 5/- each)

2,250.0 2,250.0

Issued, subscribed and paid-up

394,084,620 equity shares of Rs 5/- each (March 31, 2009 - 394,084,620 of Rs. 5/- each)

1,970.4 1,970.4

Of the above:

60,400,150 shares of Rs. 10/- each (March 31, 2009 - 60,400,150 shares of Rs. 10/- each) were issued as fully paid up bonus shares by capitalisation of profits. These shares were subsequently sub-divided into 120,800,300 shares of Rs. 5/- each (March 31, 2009 - 120,800,300 shares of Rs. 5/- each).

197,042,310 shares of Rs. 5/ each (March 31, 2009 - 197,042,310 shares of Rs. 5/- each) were issued as fully paid up bonus shares by capitalisation of securities premium.

29,632,000 equity shares of Rs 10/- each (March 31, 2009 - 29,632,000 equity shares of Rs 10/- each) were issued as fully paid, towards purchase consideration to the shareholders of Udaya TV Private Limited and the erstwhile Gemini TV Private Limited, pursuant to their amalgamation with Sun TV Network Limited. These shares were subsequently sub-divided into 59,264,000 shares of Rs. 5/- each.

2 Reserves and surplus

General reserve

Balance, beginning of year

1,403.4 966.3

Add : Transfer from profit and loss account

567.4 437.1

Balance, end of year

1,970.8 1,403.4

Securities Premium

4,718.2 4,718.2

Balance in Profit and Loss Account

11,490.7 9,833.1

18,179.7 15,954.7
3. Deferred tax liability / (asset), net

Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from :

- Depreciation / amortisation

419.4 357.2

- Provision for ex gratia

(6.6) (4.4)

- Provision for doubtful debts

(77.8) (66.9)

- Provision for doubtful advances and assets

(31.5) (7.3)

- Sec. 40(a)(ia) disallowances

(2.8) (35.1)

- Rule 9A / 9B allowance

41.9 19.9

- Others

(3.5) (2.4)

339.1 261.0

Schedules to the Balance Sheet as at March 31, 2010
(All amounts are in millions of Indian Rupees, unless otherwise stated)

4 Fixed assets

	Freehold Land	Buildings	Plant and machinery	Furniture and fittings	Leasehold Improvements	Motor vehicles*	March 31, 2010	March 31, 2009
<i>Gross block</i>								
Balance, April 1, 2009	357.3	82.1	5,841.2	38.8	124.0	161.4	6,604.8	4,339.3
Additions	520.1	179.0	421.1	67.2	158.7	76.5	1,422.6	3,313.2
Disposals	-	-	-	-	-	(13.8)	(13.8)	(1,047.7)
Balance - March 31, 2010	877.4	261.1	6,262.3	106.0	282.7	224.1	8,013.6	6,604.8
<i>Accumulated Depreciation</i>								
Balance, April 1, 2009	-	5.2	2,062.9	30.4	45.5	91.0	2,235.0	1,900.7
Charge for the period	-	7.2	615.9	3.5	65.5	26.2	718.3	507.0
Adjustment for disposals	-	-	-	-	-	(12.1)	(12.1)	(172.7)
Balance - March 31, 2010	-	12.4	2,678.8	33.9	111.0	105.1	2,941.2	2,235.0
<i>Net block</i>								
As at March 31, 2010	877.4	248.7	3,583.5	72.1	171.7	119.0	5,072.4	4,369.8
As at March 31, 2009	357.3	76.9	3,778.3	8.4	78.5	70.4	4,369.8	

*Under certain arrangements between the Company and its Directors, the Company has, 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, 2010 are Rs 88.3 million and Rs 30.4 million respectively (March 31, 2009 - Rs 91.9 million and Rs 41.4 million respectively).

Schedules to the Balance Sheet as at March 31, 2010
(All amounts are in millions of Indian Rupees, unless otherwise stated)

5 Intangible assets							
	Film and Program Broadcasting Rights	Film Production Costs Distribution and Related Rights	Computer Software	Licenses	Goodwill	March 31, 2010	March 31, 2009
<i>Gross block</i>							
Balance, April 1, 2009	4,457.9	266.0	70.5	155.4	196.3	5,146.1	3,792.6
Additions	1,748.6	754.0	8.5	-	-	2,511.1	1,353.5
Disposals	(61.5)	-	-	-	-	(61.5)	-
Balance - March 31, 2010	6,145.0	1,020.0	79.0	155.4	196.3	7,595.7	5,146.1
<i>Accumulated Amortisation</i>							
Balance, April 1, 2009	3,622.2	203.5	45.7	54.6	117.7	4,043.7	2,701.5
Charge for the period	1,400.9	663.0	16.2	16.8	39.2	2,136.1	1,342.2
Adjustment for disposals	(61.5)	-	-	-	-	(61.5)	-
Balance - March 31, 2010	4,961.6	866.5	61.9	71.4	156.9	6,118.3	4,043.7
<i>Net block</i>							
As at March 31, 2010	1,183.4	153.5	17.1	84.0	39.4	1,477.4	1,102.4
As at March 31, 2009	835.7	62.5	24.8	100.8	78.6	1,102.4	

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
March 31, 2010 March 31, 2009
6. Investments
Long Term Investments (At cost) - Trade
In Subsidiary Companies (Unquoted)

121,305,000 (March 31, 2009 - 121,305,000) fully paid equity shares of Rs 10/- each in Kal Radio Limited	1,213.1	1,213.1
148,092,000 (March 31, 2009 - 137,090,000 fully paid equity shares of Rs 10/- each in South Asia FM Limited	1,480.9	1,370.9
750,000 (March 31, 2009 - Nil) fully paid equity shares of £ 1/- each in Sun TV Network Europe Limited	59.8	-
131,700,410 (March 31, 2009 - Nil) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in South Asia FM Limited	1,317.0	-
52,880,000 (March 31, 2009 - Nil) fully paid 0.1% Compulsorily Convertible Preference Shares of Rs 10/- each in Kal Radio Limited	528.8	-

Aggregate amount of unquoted investments	4,599.6	2,584.0
--	---------	---------

Current Investments (At lower of cost and market value)
Quoted (trade)

469,636 fully paid equity shares of Rs 1/- each (March 31, 2009 -- 367,000 fully paid equity shares of Rs 1/- each) in City Union Bank Limited	1.4	0.8
	1.4	0.8

Mutual Funds

HDFC Cash Management Fund - 6,688,947.990 units (March 31, 2009 - Nil units)		
Face value: Rs 10 per unit	67.1	-
ICICI Prudential - 2,330,966.456 units (March 31, 2009 - Nil units) Face value: Rs 100 per unit	246.5	-
Franklin Templeton Floating Rate Income Fund - 15,169,092.114 units (March 31, 2009 - Nil units) Face value: Rs 10 per unit	151.8	-
	465.4	-

5,066.4 2,584.8

Refer note 22.18 for details of investments purchased and sold during the year

Market value of quoted (trade) Investments	13.5	4.5
NAV of Mutual Funds	465.4	-

7. Non-current assets
Film and program broadcasting rights

Balance, beginning of year	232.8	84.7
Additions during the year	1,949.4	1,633.8
Less: Rights transferred to other current assets	(1,882.2)	(1,485.7)
	300.0	232.8

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

	March 31, 2010	March 31, 2009
8. Inventories (At lower of cost and net realisable value)		
Consumables and media	3.3	1.3
	3.3	1.3
9. Sundry debtors (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	66.0	178.7
- Considered doubtful	214.4	196.8
	<u>280.4</u>	<u>375.5</u>
Others debtors		
- Considered good	2,935.8	2,068.1
- Considered doubtful	19.7	-
	<u>2,955.5</u>	<u>2,068.1</u>
Total	3,235.9	2,443.6
Less: Provision for doubtful debts	(234.1)	(196.8)
	3,001.8	2,246.8

Also refer Note 22.4 for dues from companies under the same management

10. Cash and bank balances

Cash on hand	0.6	0.2
Cheques on hand	-	36.0
Bank balances with scheduled banks		
- on current accounts	328.7	309.9
- on deposit accounts*	3,912.2	3,292.4
- on unpaid dividend accounts	0.5	0.5
	4,242.0	3,639.0

* Balances in deposit accounts with scheduled banks includes unutilised monies from the public issue of Rs. 546.4 million (March 31, 2009 of Rs 1,289.5 million). [Also refer Note 22.17].

11. Other current assets

<i>Film and program broadcasting rights</i>		
Balance, beginning of year	789.4	376.5
Add: Rights transferred from non-current assets	1,882.2	1,485.7
Less: Rights transferred to intangible assets	(1,748.6)	(1,072.8)
Balance, end of year	<u>923.0</u>	<u>789.4</u>
Interest accrued		
- on fixed deposits	5.3	32.2
- on inter-corporate deposits / loans to subsidiaries	329.0	253.4
Assets held for disposal	-	87.4
Unbilled revenues	141.9	166.3
	1,399.2	1,328.7

Also refer Note 22.4 for dues from companies under the same management

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
March 31, 2010 March 31, 2009
12. Loans and advances (Unsecured)

Considered doubtful		
Advances towards movie rights	69.1	21.4
Advances recoverable in cash or in kind, or for value to be received	25.7	21.4
Considered good		
Advances recoverable in cash or in kind, or for value to be received	97.7	110.4
Advances towards movie rights	536.9	551.2
Inter - corporate deposits to subsidiaries	3.8	1,801.4
loan and advances to Subsidiaries	27.9	0.8
Advance towards equity in subsidiary	-	110.0
Deposits with Government agencies	15.3	9.7
Rental and other deposits	48.8	42.1
Advance income-tax and taxes deducted at source, net of provision for income-tax	305.4	414.0
Prepaid expenses	60.2	51.9
Balances with excise authorities	34.0	18.4
	1,224.8	3,152.7
Less: Provision for doubtful advances	(94.8)	(42.8)
	1,130.0	3,109.9

Also refer Note 22.4 for dues from companies under the same management

13. Current liabilities

Sundry creditors [Also refer Note 22.12]		
-total outstanding dues of micro and small enterprises	-	-
-total outstanding dues of creditors other than micro and small enterprises	254.0	344.5
Bank overdraft	-	0.9
Advances from customers	125.9	125.8
Deferred revenues	52.9	73.7
Deposits from customers and other current liabilities	136.1	117.4
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
-Unpaid dividends	0.5	0.5
Accrued expenses	980.7	818.0
	1,550.1	1,480.8

14. Provisions

Provision for gratuity	9.9	6.2
Proposed dividend	2,364.5	394.1
Tax on proposed dividend	392.7	67.0
	2,767.1	467.3

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

	March 31, 2010	March 31, 2009
15 Revenues		
Advertising income	7,887.2	5,727.6
Broadcast fees	1,342.8	1,303.6
Program licensing income	560.3	540.4
Subscription income	3,398.1	2,151.4
Income from content trading	20.3	15.8
Income from movie distribution	674.9	282.3
Aircraft charter services	66.5	60.9
	13,950.1	10,082.0
16 Other income		
Interest earned		
- on bank deposits [TDS Rs 47.1 million (March 31, 2009 - Rs 77.9 million)]	296.8	367.9
- on intercorporate deposits and loans to subsidiaries [TDS Rs 19.5 million (March 31, 2009 - Rs 41.4 million)]	95.1	182.8
- on finance lease	-	0.8
- on overdue advances	0.5	0.1
Advances written off, recovered	2.0	1.6
Dividend income from trade investments and mutual funds (Current)	17.2	0.1
Profit on sale of assets (net)	3.5	162.6
Gain on foreign exchange fluctuation (net)	-	64.6
Reversal of provision for bad debts	-	21.5
Provision/liability no longer required written back	-	23.0
Miscellaneous income	10.0	8.2
	425.1	833.2
17 Cost of revenues		
Telecast costs	184.2	175.6
Program production expenses	278.1	234.4
Cost of program rights	243.8	249.8
Consumables and media expensed	16.5	19.8
Pay channel service charges	111.1	75.8
Licenses	26.3	25.8
Others	28.8	35.4
	888.8	816.6
18 Employees' remuneration and benefits		
Salaries and allowances	362.4	239.5
Gratuity expense	13.9	1.7
Contributions to Provident fund and employee state insurance plans	27.8	23.2
Staff welfare	14.4	14.3
Directors' remuneration	741.6	741.6
	1,160.1	1,020.3

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

	March 31, 2010	March 31, 2009
19 General and administration expenses		
Legal and professional fees [Also refer Note 22.8]	31.0	40.5
Travel and conveyance	54.8	79.4
Rent	63.2	40.8
Electricity expense	40.2	35.1
Power and fuel	33.1	28.6
Repairs and maintenance		
- Building	0.8	0.6
- Plant and machinery	41.6	32.9
- Others	74.5	68.5
Communication	25.7	36.6
Utilities	25.9	20.0
Insurance	12.8	10.3
Bad debts written off	155.3	27.0
Provision for doubtful debts	37.3	-
Provision for doubtful advances and assets	52.0	23.8
Donations	8.7	18.0
Loss on foreign exchange fluctuation (net)	28.5	-
Rates and taxes	2.4	0.7
Miscellaneous expenses	31.1	27.2
	718.9	490.0
20 Selling expenses		
Advertisement and marketing expenses	76.8	39.2
	76.8	39.2
21 Financial charges		
Interest		
- on loans against deposits	5.0	29.7
- others	1.7	6.9
Bank charges	5.3	2.3
	12.0	38.9

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

22 Notes to the financial statements

22.1 Background

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

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

22.2 Statement of significant accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed assets and depreciation

Fixed assets

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

Amounts paid under contractual terms for purchasing fixed assets, 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.

Assets intended to be sold or otherwise disposed off within twelve months from the Balance Sheet date if any, are classified as other current assets and are disclosed as assets held for disposal, and are stated at the lower of net book value and net realisable value as estimated by management.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

Depreciation

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

	<u>Percent</u>
Buildings	5.00 - 13.91
Plant and machinery	13.91 - 100.00
Computer and related equipment	40.00 - 51.64
Furniture and fittings	13.91 - 51.64
Office equipment	13.91 - 51.64
Motor Vehicles	25.89 - 51.64

Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based on management's estimate of useful live of such Aircrafts, i.e. 10 to 15 years.

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

The gross block of plant and machinery as at March 31, 2010 includes cost of program production equipment of Rs. 1,452.6 million (Rs. 1,371.4 million), post production equipment of Rs. 660.0 million (Rs. 646.4 million), reception and distribution facilities of Rs. 854.0 million (Rs. 610.4 million), computer and related equipments of Rs. 491.8 million (Rs. 464.1 million), office equipment of Rs. 162.5 million (Rs. 107.5 million) and aircraft of Rs. 2,641.4 million (Rs. 2,641.4 million). The net block of plant and machinery as at March 31, 2010 includes the net block of program production equipment of Rs. 363.4 million (Rs. 360.4 million), post production equipment of Rs. 341.7 million (Rs. 413.6 million), reception and distribution facilities of Rs. 311.2 million (Rs. 271.7 million), computer and related equipments of Rs. 115.8 million (Rs. 149.4 million), office equipment of Rs. 93.6 million (Rs. 49.4 million) and aircraft of Rs. 2,357.8 million (Rs. 2,533.8 million).

d) Intangible assets

☐ Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software, 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. Satellite Rights, where the right to telecast commences after 12 months from the balance sheet date are disclosed as non-current assets and rights, where the right to telecast commences within 12 months from the balance sheet date are disclosed as other current assets.

Satellite Rights are transferred to intangible assets, as and when they become available for telecast on television. Satellite Rights disclosed under intangible assets represent rights, which are available for use as at the balance sheet date.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc, and accordingly cost related to film and program broadcasting rights are fully expensed on the date of first telecast of the film / program episode, as the case may be.

Film production costs, distribution and related rights

Upon the theatrical release of a movie, the cost of production / acquisition of all the rights related to each such movie is amortised in the ratio that current period revenue for the movie bears to the management's estimate of the remaining unrecognised revenue for all rights arising from the movie, as per the individual-film-forecast method. The estimates for remaining unrecognised revenue for each movie is reviewed periodically and revised if necessary.

Expenditure incurred towards production of movies not complete as at balance sheet date and amounts paid under contractual terms for acquiring distribution rights and related rights of movies not released in theatres as at the balance sheet date are classified as intangible assets under development

Licenses

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

Goodwill

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

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no Impairment.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year is classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the investments.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

g) Retirement and other employee benefit

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

h) Taxation

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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

i) 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 of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

j) 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.

Advertising income and broadcast fees are recognised when the related commercial or programme is telecast.

Program licensing income represents income from the export of program software content, and is recognised in accordance with the terms of agreements with customers.

Subscription income represents subscription fees billed to cable operators and Direct to Home ('DTH') service providers towards pay-channels operated by the Company, and are recognised in the period during which the service is provided. Subscription fees billed to cable operators are determined based on management's best estimates of the number of subscription points to which the service is provided, at contractually agreed rates. Subscription income from DTH customers is recognised in accordance with the terms of agreements entered into with the service providers.

Revenues from sale of movie distribution / sub-distribution rights are recognised on the theatrical release of the related movie, in accordance with the terms of agreements with customers. Revenues from the theatrical distribution of movies are recognised as they are exhibited, based on box office collections reported by the exhibitors after deduction of taxes and exhibitor's share of collections.

Income from content trading represent revenue earned from mobile service providers and is recognised as per the terms of contract with mobile service providers.

Revenues from aircraft charter services are recognised based on services provided and billed as per the terms of the contracts with the customers.

Revenues from barter transactions, and the related costs, are recorded at fair values of the services rendered and services received, as estimated by management.

Interest income is recognised on time proportion basis.

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.

Dividend Income is recognised when the right to receive payment is established by the balance sheet date.

k) Operating leases (where the Company is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

l) Cash and Cash equivalents

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

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Financial Statements (Continued)

m) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. At the year-end, monetary items are converted into rupee equivalents at the year-end exchange rates. 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.

All exchange differences arising on settlement / conversion of foreign currency transactions are included in the profit and loss account.

n) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates

o) Segment reporting

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

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

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FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.3 Quantitative information as per the Act

Due to the nature of its business, the requirements relating to the quantitative details of sales and the information under paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are not applicable to the Company except to the extent disclosed in these financial statements.

22.4 Additional information required under the Act

Balances due to companies under the same management as defined under section 370(1B) of the Companies Act, 1956 and Clause 32 of the listing agreement include the following:

	Balance outstanding as at		Maximum amount outstanding at any time during the year ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sundry debtors				
Kal Comm Private Limited	191.3	470.0	840.9	706.6
Sun Direct TV Private Limited	205.6	73.1	239.6	374.1
Kungumam Publications Private Limited	-	-	-	12.4
Kal Publications Private Limited	0.2	1.9	0.2	2.1
Kal Cables Private Limited	-	-	-	0.3
Kal Radio Limited	1.6	2.0	2.0	7.8
South Asia FM Limited	-	-	-	14.3
Loans and advances				
Kal Cables Private Limited	-	-	-	3.9
Kungumam Publications Private Limited	-	-	-	2.9
Kal Publications Private Limited	-	0.1	1.2	3.8
Kal Comm Private Limited	5.2	5.2	5.2	5.2
Kal Radio Limited	11.7	18.1	19.1	22.9
South Asia FM Limited	30.0	27.0	30.0	36.9
Inter - corporate deposits and Loans				
Kal Radio Limited	3.8	484.4	528.8	484.4
South Asia FM Limited	-	1,317.0	1,317.0	1,317.0
Sun TV Network Europe Limited	27.1	-	33.1	-
Interest Accrued				
Kal Radio Limited	116.8	116.8	84.4	84.4
South Asia Fm Limited	210.4	210.4	169.0	169.0
Sun TV Network Europe Limited	1.8	1.8	-	-
Advance towards equity				
South Asia FM Limited	-	110.0	110.0	110.0

22.5 Capital commitments (net of advances)

	31.03.2010	31.03.2009
Outstanding commitments on capital contracts	1,287.9	3,180.2
Commitments for acquisition of film and program broadcasting rights	843.1	620.1
	2,131.0	3,800.3

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.6 Contingent Liabilities not provided for

	31.03.2010	31.03.2009
Income Tax	587.7	190.0
Customs Duty	5.0	-
	592.7	190.0

The Company received demands of income tax in respect of earlier years, disallowing the manner of allowance claimed by the Company for certain expenses. The Company has gone on appeal against the said demands, and based on judicial pronouncements and other arguments, management believes that the Company's claim is likely to be accepted by appellate authorities.

22.7 Remuneration to directors
a) Remuneration to directors

	31.03.2010	31.03.2009
Salary	217.2	217.2
Ex-gratia	524.4	524.4
Total	741.6	741.6

b) Computation of net profits in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors:

Particulars	31.03.2010	31.03.2009
Profit before tax as per Profit and loss account	8,664.2	6,661.0
Add:		
Managerial remuneration	741.6	741.6
Depreciation as per books	718.3	507.0
Amortisation of intangible assets	2,136.1	1,342.2
Provision for doubtful debts	37.3	-
Less:		
Depreciation as per section 350 of the Companies Act, 1956	718.3	507.0
Amortisation of intangible assets as per section 350 of the Companies Act, 1956	2,096.9	1,303.0
Write back of capital advances	2.0	1.6
Reversal of provision for doubtful debts	-	21.5
Net profit as per Section 349 of the Companies Act, 1956	9,480.3	7,418.7
Commission to whole time directors	-	-

The executive directors of the Company have submitted to the Remuneration Committee and the Board of Directors their desire to limit their remuneration for current year to be the same as the remuneration earned in the previous year. The same has been placed before the Remuneration Committee and the Board of Directors and approved by them.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.8 Auditors' remuneration

Auditors' Remuneration (included in legal and professional fees):

	31.03.2010	31.03.2009
As auditors*	4.0	4.0
Out of pocket expenses	0.1	0.1
Total	4.1	4.1

* Excluding service tax

22.9 Imports (value comprising cost, insurance and freight)

	31.03.2010	31.03.2009
Capital goods	407.4	2,986.5
Others	5.0	30.8
Total	412.4	3,017.3

22.10 Expenditure in foreign currency (on cash basis)

	31.03.2010	31.03.2009
Travelling and related expenses	37.8	52.8
Expenses towards movies under production	49.9	34.5
Acquisition of film and program broadcasting rights	99.8	76.2
Others	52.0	39.2
Total	239.5	202.7

22.11 Earnings in foreign exchange (on accrual basis)

	31.03.2010	31.03.2009
Sale of capital goods	-	2,051.1
Program licensing income	560.3	540.4
Others	-	1.0
Total	560.3	2,592.5

22.12 Dues to Micro, Small and Medium Enterprises

Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2010 and March 31, 2009.

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.13 Leases
Operating leases (As a Lessee)

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

Particulars	31.03.2010	31.03.2009
Lease payments recognised in the profit and loss account for the year	104.8	88.8
Minimum Lease Payments		
Not later than one year	101.4	81.0
Later than 1 year but not later than 5 years	233.1	98.2
Later than 5 years	-	-

22.14 Unhedged 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	31.03.2010		31.03.2009	
		Amount in Foreign Currency (in millions)	Amount in Indian Rupees	Amount in Foreign Currency (in millions)	Amount in Indian Rupees
Sundry Debtors	USD	1.5	69.0	2.3	115.5
Sundry Debtors	EURO	-	-	0.1	7.8
Sundry Debtors	CAD	0.1	5.3	0.1	2.3
Sundry Creditors	USD	-	-	0.4	19.4
Deposits from customers and Security deposits	AUD	0.1	2.1	0.1	1.8
Deposits from customers and Security deposits	USD	0.2	7.1	0.3	13.1
Advances from customers	GBP	0.2	10.8	-	-
Investments	GBP	0.8	59.8	-	-
Loans and Advances	GBP	0.4	27.1	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.15 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 profit and loss account and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Profit & Loss Account

	March 31, 2010	March 31, 2009
Current service cost on Benefit Obligations	7.1	4.4
Past service cost on Benefit Obligations	4.7	-
Interest cost on Benefit Obligations	2.0	2.0
Expected return on plan assets	(2.2)	(1.4)
Net actuarial (gains)/ losses recognised in the year	2.3	3.3
Net Benefit Expense	13.9	1.7
Actual return on plan assets	1.7	0.9

Balance Sheet
Details of Provision for gratuity

	March 31, 2010	March 31, 2009
Defined benefit obligation	39.1	25.6
Fair value of plan assets	(29.2)	(19.4)
Plan Liability / (Asset)	9.9	6.2
Experience adjustments on plan liabilities	1.8	(3.8)
Experience adjustments on plan Assets	(0.5)	(0.5)

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

	March 31, 2010	March 31, 2009
Opening defined benefit obligation	25.6	26.0
Current service cost	7.1	4.4
Past service cost	4.7	-
Interest cost	2.0	2.0
Actuarial (gains) / losses on obligation	1.8	(3.8)
Benefits paid	(2.1)	(3.0)
Closing defined benefit obligation	39.1	25.6

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

	March 31, 2010	March 31, 2009
Opening fair value of plan assets	19.4	11.4
Expected return	2.2	1.4
Actuarial gains / (losses)	(0.5)	(0.5)
Contributions by employer	10.2	10.1
Benefits paid	(2.1)	(3.0)
Closing fair value of plan assets	29.2	19.4

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)

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

	March 31, 2010 (%)	March 31, 2009 (%)
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.25%	9.25%
Employee turnover	2.00%	2.00%

The present value of defined benefit obligation as at March 31, 2008 was Rs. 26.0 million and the fair value of plan assets as at that date was Rs. 11.4 million, resulting in a deficit of Rs. 14.6 million.

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

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.

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

1. Enterprises in which Key Management personnel or their relatives have significant influence	
Kal Comm Private Limited	Kungumam Nithyagam Private Limited
Kal Cables Private Limited	Kal Publications Private Limited
Kal Investments (Madras) Private Limited	D.M.S Entertainment Private Limited
Network Cable Solutions Private Limited	HFO Entertainment Private Limited
Sun Direct TV Private Limited	D.K. Enterprises Private Limited
Sun Academy Private Limited	Sun Foundation
Kungumam Publications Private Limited	Murasoli Maran Family Trust
Udaya FM Private Limited	Kal Media Services Private Limited
2. Subsidiary Companies	
South Asia FM Limited	
Kal Radio Limited	
Sun TV Network Europe Limited	
3. Associates	
AV Digital Networks (Hyderabad) Private Limited	
Asia Radio Broadcast Private Limited	
Digital Radio (Kolkata) Broadcasting Limited	
Metro Digital Networks (Hyderabad) Private Limited	
Optimum Media Services Private Limited	
Digital Radio (Mumbai) Broadcasting Limited	
Deccan Digital Networks (Hyderabad) Private Limited	
Pioneer Radio Training Services Private Limited	
Digital Radio (Delhi) Broadcasting Limited	
South Asia Multimedia Private Limited	

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)

4. Key Management personnel	
Mr. Kalanithi Maran - Chairman and Managing Director	
Mrs. Kavery Kalanithi - Joint Managing Director	
5. Relatives of Key Management personnel	
Mrs. Mallika Maran	

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FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Income :								
Subscription Income								
<i>Kal Comm Private Limited</i>	1,569.2	1,309.3	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	1,089.7	478.8	-	-	-	-	-	-
Advertising Income								
<i>Sun Direct TV Private Limited</i>	289.0	259.7	-	-	-	-	-	-
<i>Kal Radio Limited</i>	-	-	-	1.8	-	-	-	-
<i>Kal Publications Private Limited</i>	0.2	0.2	-	-	-	-	-	-
Program licencing income								
<i>Sun TV Network Europe Limited</i>	-	-	16.6	-	-	-	-	-
Aircraft charter services								
<i>Sun Direct TV Private Limited</i>	41.5	16.2	-	-	-	-	-	-
<i>South Asia FM Limited</i>	-	-	-	12.7	-	-	-	-
<i>Kal Radio Limited</i>	-	-	1.2	5.3	-	-	-	-
<i>Kal Cables Private Limited</i>	-	0.3	-	-	-	-	-	-
<i>Kal Comm Private Limited</i>	20.9	21.0	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	2.9	2.0	-	-	-	-	-	-
Interest earned								
<i>Kungumam Publications Private Limited</i>	-	0.8	-	-	-	-	-	-
<i>South Asia FM Limited</i>	-	-	51.9	134.2	-	-	-	-
<i>Kal Radio Limited</i>	-	-	41.4	48.6	-	-	-	-
<i>Sun TV Network Europe Limited</i>	-	-	1.8	-	-	-	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Rental Income								
<i>Kal Radio Limited</i>	-	-	0.7	0.6	-	-	-	-
<i>Sun Direct TV Private Limited</i>	0.5	0.5	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	0.2	-	-	-	-	-	-	-
<i>Kal Cables Private Limited</i>	0.1	-	-	-	-	-	-	-
Reversal of Provision for doubtful debts								
<i>Kal Comm Private Limited</i>	30.0	-	-	-	-	-	-	-
Expenses :								
Program production expenses								
<i>Kal Publications Private Limited</i>	43.8	43.8	-	-	-	-	-	-
<i>D.K Enterprises Private Limited</i>	0.6	0.9	-	-	-	-	-	-
Pay channel service charges								
<i>Kal Comm Private Limited</i>	111.1	75.4	-	-	-	-	-	-
Legal and professional fees								
<i>Mrs. Mallika Maran</i>	-	-	-	-	-	-	0.2	0.2
Rent Expense								
<i>Kal Publications Private Limited</i>	1.9	1.9	-	-	-	-	-	-
Donations								
<i>Sun Foundation</i>	8.7	17.5	-	-	-	-	-	-
Advertisement expenses								
<i>Kal Publications Private Limited</i>	48.5	5.2	-	-	-	-	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Remuneration paid (including ex-gratia)								
Mr. Kalanithi Maran	-	-	-	-	370.8	370.8	-	-
Mrs. Kavery Kalanithi	-	-	-	-	370.8	370.8	-	-
Dividends Paid								
Mr. Kalanithi Maran	-	-	-	-	758.6	1,213.8	-	-
Reimbursement of Cost of shared services (Net)								
Kal Publications Private Limited	(1.1)	(0.1)	-	-	-	-	-	-
Kal Cables Private Limited	-	3.5	-	-	-	-	-	-
Kal Comm Private Limited	-	3.3	-	-	-	-	-	-
Kal Radio Limited	-	-	-	3.8	-	-	-	-
South Asia FM Limited	-	-	-	3.5	-	-	-	-
Depreciation recharge								
Kal Cables Private Limited	-	0.2	-	-	-	-	-	-
Kal Publications Private Limited	-	0.4	-	-	-	-	-	-
Kungumam Publications Private Limited	-	0.2	-	-	-	-	-	-
Kal Radio Limited	-	-	-	1.1	-	-	-	-
South Asia FM Limited	-	-	-	1.1	-	-	-	-
Rental deposits placed by the Company								
Kal Publications Private Limited	-	0.4	-	-	-	-	-	-
Sale of assets								
Kal Publications Private Limited	0.5	-	-	-	-	-	-	-
Advance towards equity								
South Asia FM Limited	-	-	-	110.0	-	-	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)

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

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Expenditure on intangible assets under development <i>D.K Enterprises Private Limited</i>	1.3	-	-	-	-	-	-	-
Investments made <i>Sun TV Network Europe Limited</i> <i>South Asia FM Limited</i>	- -	- -	59.8 110.0	- -	- -	- -	- -	- -
Loans given by the Company <i>Sun TV Network Europe Limited</i>	-	-	33.0	-	-	-	-	-
Advances made by the Company <i>Sun Direct Private Limited</i> <i>Kal Publications Private Limited</i>	- -	0.1 0.3	- -	- -	- -	- -	- -	- -
Inter corporate deposits made by the Company <i>Kal Radio Limited</i> <i>South Asia FM Limited</i>	- -	- -	48.2 -	171.3 312.1	- -	- -	- -	- -
Conversion of inter corporate deposits into compulsorily convertible preference shares <i>Kal Radio Limited</i> <i>South Asia FM Limited</i>	- -	- -	528.8 1,317.0	- -	- -	- -	- -	- -
Present value of minimum lease payments <i>Kungumam Publications Private Limited</i>	-	5.4	-	-	-	-	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Balance Outstanding :								
Accounts Receivable								
<i>Kal Comm Private Limited</i>	191.3	470.0	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	205.6	73.1	-	-	-	-	-	-
<i>Kal Radio Limited</i>	-	-	1.6	2.0	-	-	-	-
<i>Kal Publications Private Limited</i>	0.2	1.9	-	-	-	-	-	-
Inter corporate deposits receivable								
<i>Kal Radio Limited</i>	-	-	3.8	484.4	-	-	-	-
<i>South Asia FM Limited</i>	-	-	-	1,317.0	-	-	-	-
Loans and Advances								
<i>Kal Publications Private Limited</i>	-	0.1	-	-	-	-	-	-
<i>Kal Comm Private Limited</i>	5.2	5.2	-	-	-	-	-	-
<i>Kal Radio Limited</i>	-	-	11.7	18.1	-	-	-	-
<i>South Asia FM Limited</i>	-	-	30.0	27.0	-	-	-	-
<i>Sun TV Network Europe Limited</i>	-	-	27.1	-	-	-	-	-
Unbilled Revenue								
<i>Sun Direct TV Private Limited</i>	1.5	74.0	-	-	-	-	-	-
Interest accrued on Inter corporate deposits								
<i>Kal Radio Limited</i>	-	-	116.8	84.4	-	-	-	-
<i>South Asia FM Limited</i>	-	-	210.4	169.0	-	-	-	-
Interest receivable								
<i>Sun TV Network Europe Limited</i>	-	-	1.8	-	-	-	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary Companies		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Rental and other deposits								
<i>Kal Publications Private Limited</i>	0.6	0.6	-	-	-	-	-	-
Security Deposit and Other								
Current Liabilities								
<i>Kal Radio Limited</i>	-	-	0.2	0.2	-	-	-	-
Accounts Payable								
<i>Kal Comm Private Limited</i>	8.9	16.2	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	3.7	10.1	-	-	-	-	-	-
<i>Udaya FM Private Limited</i>	6.7	5.8	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	-	0.1	-	-	-	-	-	-
<i>Kal Cables Private Limited</i>	0.1	-	-	-	-	-	-	-
<i>D.K. Enterprises Private Limited</i>	0.7	-	-	-	-	-	-	-
Deposits Payable								
<i>Kal Comm Private Limited</i>	19.5	19.5	-	-	-	-	-	-
Advances from customers								
<i>Sun Direct TV Private Limited</i>	28.1	-	-	-	-	-	-	-
<i>Sun TV Network Europe Limited</i>	-	-	12.1	-	-	-	-	-
Remuneration Payable								
<i>Mr. Kalanithi Maran</i>	-	-	-	-	262.2	262.2	-	-
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	262.2	262.2	-	-

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)
22.17 Utilisation of IPO proceeds

The utilisation of the total IPO proceeds of Rs. 6,027.9 million as at March 31, 2010 is as under:

S.No	Purpose	Uses of Funds as projected in the prospectus	Actual use of funds as at March 31, 2010	Actual use of funds as at March 31, 2009
1	Capitalisation of the subsidiaries	3,557.7	3,557.7	3,103.6
2	Launch of new TV channels and Purchase of new equipment and up-gradation of existing equipment	1,449.5	1,022.3	803.2
3	Construction of an owned corporate office, studio facilities and additional uplinking infrastructure	623.4	623.4	553.5
4	General corporate purposes	88.8	-	-
5	Share issue expenses	308.5	278.1	278.1
	Total	6,027.9	5,481.5	4738.4

The balance proceeds from the IPO pending utilisation have been invested in fixed deposits with banks.

22.18 Details of investments purchased and sold during the year

Particulars	Face Value in Rs.	Units in Million	Value
UTI Treasury Advantage Fund-Institutional Plan (Daily Dividend Option)-Re-Investment	10.00	0.1	140.9
Reliance Medium Term Fund - Daily Dividend Plan	10.00	14.0	240.6
Birla Sun Life Savings Fund-Institutional.-Daily Dividend -Reinvestment	10.00	31.0	312.1
Tata Floater Fund-Daily Dividend	10.00	6.0	61.0
IDFC Money Manager Fund-TP-Super Institutional Plan C-Daily Div	10.00	12.0	120.6
Birla Sun Life Cash Manager-IP-Daily-Dividend-Reinvestment	10.00	21.1	211.2
Templeton India Treasury Management Account Super Institutional Plan-Daily Dividend Reinvestment	10.00	0.1	150.0
Fidelity Cash Fund (Super Institutional)-Daily Dividend	10.00	10.0	101.0
Reliance Money Manager Fund -Institutional Option-Daily Dividend Plan	10.00	0.6	591.7
Tata Liquid Super High Investment Fund-Daily Dividend	10.00	0.1	61.1
Birla Sun Life Cash Plus-Institutional Premium - Daily Dividend Reinvestment	10.00	37.0	371.0
ICICI Prudential Ultra Short Term Plan Premium Plus Daily Dividend	10.00	12.1	121.8
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	10.00	18.3	195.1
ING Liquid Fund Institutional -Daily Dividend Option	10.00	12.0	120.2
ING Treasury Advantage Fund - Institutional Daily Dividend	10.00	6.0	60.2

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Financial Statements (Continued)

Particulars	Face Value in Rs.	Units in Million	Value
UTI Liquid Cash Plan Institutional-Daily Income Option-Re-Investment	10.00	0.1	140.9
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	100.00	120.1	1,202.0
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	10.00	24.3	618.9
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend	10.00	12.1	120.6
Fidelity Ultra Short Term Debt Fund Super Institutional-Daily Dividend	10.00	10.0	101.0

Investments purchased, as shown above, includes the number of units and amounts credited towards re-investment of dividends received.

22.19 Export Obligation

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

Accordingly, the Company currently has an export obligation aggregating to Rs. 243.9 million (March 31, 2009 Rs. Nil).

22.20 Prior year comparatives

Prior year figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date.

FOR S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants
For and on behalf of the Board of Directors
per S Balasubrahmanyam
Partner

Membership No.: 053315

Chennai

May 28, 2010

Kalanithi Maran

 Chairman and
Managing Director

Chennai

May 28, 2010

Kavery Kalanithi

 Joint Managing
Director

R. Ravi

Company Secretary

SUN TV NETWORK LIMITED PART IV BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE									
I. REGISTRATION DETAILS									
Registration Number 1 2 4 9 1					State Code 1 8 (Refer Code List)				
Balance Sheet Date 3 1 0 3 2 0 1 0					Date Month Year				
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. in Thousands)									
Public Issue * * * * * * * * * *					Rights Issue * * * * * * * * * *				
Bonus Issue * * * * * * * * * *					Private Placement * * * * * * * * * *				
III. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (Amount in Rs. in Thousands)									
Total Liabilities 2 0 4 8 9 1 4 4 . 8					Total Assets 2 0 4 8 9 1 4 4 . 8				
SOURCES OF FUNDS					Reserves & Surplus				
*Paid-up Capital 1 9 7 0 4 2 3 . 1					1 8 1 7 9 6 5 0 . 9				
Secured Loans * * * N I L * * * *					Unsecured Loans * * * N I L * * * *				
APPLICATION OF FUNDS					Deferred Tax Liability 3 3 9 0 7 0 . 8				
Net Fixed Assets 5 0 7 2 3 5 8 . 1					Investments 5 0 6 6 2 9 3 . 0				
Net Current Assets, Non-Current Asset and intangible Assets 1 0 3 5 0 4 9 3 . 7					Misc. Expenditure * * * N I L * * * *				
Accumulated Losses * * * N I L * * * *									
IV. PERFORMANCE OF COMPANY (Amount in Rs. in Thousands)									
Turnover 1 4 3 7 5 2 0 1 . 3					Total Expenditure 5 7 1 1 0 9 9 . 3				
Profit/(Loss) before tax + 8 6 6 4 2 4 2 . 0					Profit/ Loss after tax + 5 6 7 3 8 1 2 . 0				
(Please tick (3) Appropriate Box + for Profit, - for Loss)									
Earning per Share in Rs. 1 4 . 4 0					Dividend Rate % 1 5 0				
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (as per monetary terms)									
Item Code Number (ITC Code) Product Description					* * * * N A * * * * * * * N O T A P P L I C A B L E * * * *				
Item Code Number (ITC Code) Product Description					* * * * N A * * * * * * * N O T A P P L I C A B L E * * * *				
Item Code Number (ITC Code) Product Description					* * * * N A * * * * * * * N O T A P P L I C A B L E * * * *				

For SUN TV NETWORK LIMITED

KALANITHI MARAN
Chairman and Managing Director

KAVERY KALANITHI
Joint Managing Director

R. Ravi
Company Secretary

Place: Chennai
Date: May 28, 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1 Name of the Company	KAL RADIO LTD	SOUTH ASIA FM LTD	SUN TV NETWORK EUROPE LIMITED
2 No. of Shares held by the company	121,305,000	148,092,000	750,000
3 Extent of holding	97.78%	59.15%	100%
4 Financial Year of the Subsidiary ended on	March 31, 2010	March 31, 2010	March 31, 2010
5 The net aggregate amount of Profits/(Losses) of the subsidiary as far as it concerns the Holding Company.	<u>Rs. In Millions</u>	<u>Rs. In Millions</u>	<u>Rs. In Millions</u>
1. Dealt with in the account of Sun TV Network Ltd by way of dividends on the shares held in the subsidiary:			
(a) For the subsidiaries' financial year ended on 31-3-2010.	Nil	Nil	Nil
(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	Nil	Nil	Nil
2. Not dealt with in the account of Sun TV Network Ltd.			
(a) For the subsidiaries' financial year ended on 31-3-2010.	(135.86)	(263.45)	(80.45)
(b) For the previous financial years of the subsidiaries since they became subsidiaries of Sun TV Network Ltd.	(554.26)	(710.87)	NA

AUDITORS' REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

The Board of Directors Sun TV Network Limited

1. We have audited the attached consolidated balance sheet of Sun TV Network Limited, its subsidiaries and associates (together referred to as 'the Group' as described in Note 23.1 to the consolidated financial statements), as at March 31, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 4,808.4 million as at March 31, 2010, total revenue of Rs. 595.6 million and cash flows amounting to Rs. 112.6 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We did not audit the financial statements of the associates, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The attached consolidated financial statements include share of Rs. 8.3 million representing the group's share of profits of these associates for the year ended March 31, 2010.
5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

AUDITORS' REPORT ON CONSOLIDATED FINANCIALS STATEMENTS (Continued)

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W

Chartered Accountants

per S Balasubrahmanyam

Partner

Membership No.:053315

Chennai

May 28, 2010

Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds :			
Share capital	1	1,970.4	1,970.4
Reserves and surplus	2	16,885.4	15,045.9
		18,855.8	17,016.3
Minority interest		370.6	384.8
Preference shares in subsidiary held by minority shareholders		878.0	-
Loan funds:			
Unsecured loans	3	1.4	716.1
Deferred tax liability (net)	4	339.2	261.0
		20,445.0	18,378.2
APPLICATION OF FUNDS			
Fixed assets :			
Gross block	5	9,015.7	7,561.7
Less: Accumulated Depreciation		(3,305.6)	(2,437.0)
Net block		5,710.1	5,124.7
Intangible assets :			
Gross block	6	9,865.7	7,352.4
Less: Accumulated Amortisation		(6,597.9)	(4,331.1)
Net block		3,267.8	3,021.3
Capital work-in-progress (including capital advances) and intangible assets under development		3,148.5	1,572.0
		12,126.4	9,718.0
Investments	7	2,279.5	1,805.2
Non-current assets	8	300.0	232.8
Current assets, Loans and Advances :			
Inventories	9	27.0	1.3
Sundry debtors	10	3,291.9	2,411.7
Cash and bank balances	11	4,367.2	3,654.0
Other current assets	12	1,070.2	1,075.3
Loans and advances	13	1,589.3	1,667.4
		10,345.6	8,809.7
Less: Current liabilities and provisions :			
Current liabilities	14	(1,839.2)	(1,720.0)
Provisions	15	(2,767.8)	(468.2)
Net current assets		5,738.6	6,621.5

Consolidated Balance Sheet as at March 31, 2010 (Continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Miscellaneous expenditure (to the extent not written off or adjusted) (Refer note 23.2 (r))	0.5	0.7
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	20,445.0	18,378.2
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Notes to the financial statements **23**

The schedules referred to above and the notes to accounts form an integral part of the Consolidated Balance sheet.

As per our report of even date.

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

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
Membership No.: 053315

Kalanithi Maran
Chairman and
Managing Director

Kavery Kalanithi
Joint Managing
Director

R. Ravi
Company Secretary

Chennai
May 28, 2010

Chennai
May 28, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

(All amounts are in millions of Indian Rupees, except earnings per share and unless otherwise stated)

	Schedule	March 31, 2010	March 31, 2009
Income			
Revenues	16	14,528.4	10,393.6
Other income	17	349.5	668.0
Total Income		14,877.9	11,061.6
Expenditure			
Purchase of traded goods		61.8	-
Cost of revenues	18	1,192.0	1,113.8
Employees' remuneration and benefits	19	1,339.6	1,155.1
General and administration expenses	20	928.1	684.2
Selling expenses	21	124.9	73.0
Financial charges	22	49.4	137.9
Decrease / (Increase) in Inventories		(26.6)	-
Depreciation on fixed assets	5	880.8	672.2
Amortisation of intangible assets	6	2,328.3	1,532.3
Total Expenditure		6,878.3	5,368.5
Profit before taxes and minority interest		7,999.6	5,693.1
Provision for taxation			
Current tax		2,912.3	2,034.0
Deferred tax charge / (credit)		78.2	249.6
Fringe benefit tax		-	9.1
Share in profits from Associates		8.3	1.8
Profit after taxes and before minority interest		5,017.4	3,402.2
Minority Interest		181.6	281.1
Profit after taxes and minority interest		5,199.0	3,683.3
Accumulated profit, beginning of the period		8,924.3	6,830.8
Profit available for appropriation		14,123.3	10,514.1
Appropriations:			
Interim dividend		(591.1)	(591.1)
Tax on interim dividend		(100.5)	(100.5)
Proposed dividend		(2,364.5)	(394.1)
Tax on proposed dividend		(392.7)	(67.0)
Transfer to general reserve		(567.4)	(437.1)
Profit carried forward to Balance Sheet		10,107.1	8,924.3

Consolidated Profit and Loss Account for the year ended March 31, 2010 (Continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Earnings per share information:

Net profit attributable to equity shareholders		5,199.0	3,683.3
Weighted average number of equity shares outstanding		394,084,620	394,084,620
Basic and diluted earnings per share	Rs.	13.19	9.35
Nominal value of equity share	Rs.	5.00	5.00

Notes to the financial statements

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

As per our report of even date.

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

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
Membership No.: 053315

Kalanithi Maran
Chairman and
Managing Director

Kavery Kalanithi
Joint Managing
Director

R. Ravi
Company Secretary

Chennai
May 28, 2010

Chennai
May 28, 2010

Consolidated Cash flow statement for the year ended March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
Cash flows from operating activities		
Net profit before taxation	7,999.6	5,693.1
Adjustments for:		
Depreciation on fixed assets	880.8	672.2
Amortisation of intangible assets	2,328.3	1,532.3
(Profit)/loss on sale of fixed assets	(3.9)	(162.6)
Translation loss/(gain) on monetary assets and liabilities	6.2	(2.4)
Provision no longer required, written back	-	(23.0)
Reversal of provision for bad debts	-	(21.5)
Provision for doubtful debts	45.9	-
Provision for doubtful advances and assets	52.0	23.8
Bad debts written off	155.3	27.0
Interest income	(316.6)	(388.8)
Dividend income	(17.2)	(0.1)
Preliminary expenses written off	0.2	0.4
Interest expense	42.8	128.7
Operating profit before working capital changes	11,173.4	7,479.1
(Increase)/Decrease in sundry debtors	(987.3)	146.5
(Increase)/Decrease in inventories	(25.7)	1.4
(Increase)/Decrease in non current assets	1,882.2	1,485.7
(Increase)/Decrease in other current assets	(1,857.8)	(1,710.0)
(Increase)/Decrease in loans and advances	(106.8)	141.4
Increase/(Decrease) in current liabilities and provisions (Refer note c below)	203.8	348.0
Cash generated from operations	10,281.8	7,892.1
Direct taxes paid (net of refunds)	(2,810.6)	(2,017.1)
Net cash from/(used in) operating activities	7,471.2	5,875.0
Cash flows (used in) / from investing activities		
Purchase of fixed assets, capital work in progress (including capital advances) and expenditure on intangible assets under development	(3,119.5)	(4,290.6)
Purchase of intangible assets	(2,705.6)	(2,794.3)
Purchase of investments	(466.0)	-
Proceeds from sale of assets (Net of expenses on sale)	5.7	2,167.6
Term deposits placed with banks during the year	(4,152.8)	(5,336.5)
Term deposits refunded from banks during the year	3,533.0	6,054.4
Interest received	343.5	484.1
Dividends received	17.2	0.1
Net cash from/(used in) investing activities	(6,544.5)	(3,715.2)

Consolidated Cash flow statement for the year ended March 31, 2010 (Continued)
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
Cash flows (used in) / from financing activities		
Proceeds from issuance of shares to minority share holders	1,065.8	-
Share application money received	-	61.7
Loans availed	1,514.5	7,943.2
Loans repaid	(2,223.2)	(7,937.2)
Proposed dividends paid	(394.1)	(985.2)
Tax on proposed dividends paid	(67.0)	(167.4)
Interim dividends paid	(591.1)	(591.1)
Tax on interim dividends paid	(100.5)	(100.5)
Interest paid	(42.8)	(311.5)
Net cash (used in)/from financing activities	(838.4)	(2,088.0)
Net (decrease) / increase in cash and cash equivalents	88.3	71.8
Cash and cash equivalents at the beginning of the year	360.2	288.4
Cash and cash equivalents at the end of the year	448.5	360.2

Notes:

- a) The reconciliation to the cash and bank balances as given in Schedule 11 is as follows :

Cash and bank balances, per Schedule 11	4,367.2	3,654.0
Add : Effect of changes in exchange rate on cash and cash equivalents	(6.5)	(1.4)
Less : Term deposits placed with banks	(3,912.2)	(3,292.4)
Cash and cash equivalents, end of year	448.5	360.2

- b) Components of cash and cash equivalents
- | | | |
|---|-------|-------|
| Cash and cheques on hand | 0.8 | 36.4 |
| With banks - on current account | 446.9 | 321.8 |
| - on deposit account (unrestricted) | 0.3 | 1.5 |
| - on unpaid dividend accounts (restricted)* | 0.5 | 0.5 |
- c) Adjustments for increase/decrease in current liabilities related to acquisition of fixed assets have been made to the extent identified.
- * 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
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per S Balasubrahmanyam
Partner
 Membership No.: 053315

Kalanithi Maran
 Chairman and
 Managing Director

Kavery Kalanithi
 Joint Managing
 Director

R. Ravi
 Company Secretary

Chennai
 May 28, 2010

Chennai
 May 28, 2010

Schedules to the Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
1 Share capital		
Authorised		
450,000,000 equity shares of Rs 5/- each (March 31, 2009 - 450,000,000 of Rs. 5/- each)	2,250.0	2,250.0
Issued, subscribed and paid-up - 394,084,620 equity shares of Rs 5/- each (March 31, 2009 - 394,084,620 of Rs. 5/- each)	1,970.4	1,970.4
Of the above:		
60,400,150 shares of Rs. 10/- each (March 31, 2009 - 60,400,150 shares of Rs. 10/- each) were issued as fully paid up bonus shares by capitalisation of profits. These shares were subsequently sub-divided into 120,800,300 shares of Rs. 5/- each (March 31, 2009 - 120,800,300 shares of Rs. 5/- each).		
197,042,310 shares of Rs. 5/- each (March 31, 2009 - 197,042,310 shares of Rs. 5/- each) were issued as fully paid up bonus shares by capitalisation of securities premium.		
29,632,000 equity shares of Rs 10/- each (March 31, 2009 - 29,632,000 equity shares of Rs 10/- each) were Issued as fully paid, towards purchase consideration to the shareholders of Udaya TV Private Limited and the erstwhile Gemini TV Private Limited, pursuant to their amalgamation with Sun TV Network Limited. These shares were subsequently sub-divided into 59,264,000 shares of Rs. 5/- each.		
2 Reserves and surplus		
General reserve		
Balance, beginning of year	1,403.4	966.3
Add : Transfer from profit and loss account	567.4	437.1
Balance, end of year	1,970.8	1,403.4
Securities Premium	4,718.2	4,718.2
Balance in Consolidated Profit and Loss Account	10,107.1	8,924.3
Adjustments for:		
Goodwill	62.5	-
Minority Interest	26.8	-
	10,196.4	8,924.3
Foreign currency translation reserve (Refer Note 23.2 (o))		
Exchange difference during the year on net investment in non-integral operations *	-	-
Balance, end of year*	-	-
	16,885.4	15,045.9

* Includes Rupees five thousand two hundred and sixty seven of exchange difference on net investment in non-integral operations.

Schedules to the Consolidated Balance Sheet as at March 31, 2010
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
3 Unsecured loans		
Loans from Banks	-	660.0
From Shareholders	-	54.7
From Directors	1.4	1.4
	1.4	716.1
4 Deferred tax liability / (asset), net		
Net deferred tax liability / (asset) represents the aggregate tax effect of the timing difference arising from :		
- Depreciation/amortisation	419.5	357.2
- Provision for ex gratia	(6.6)	(4.4)
- Provision for doubtful debts	(77.8)	(66.9)
- Provision for doubtful advances and assets	(31.5)	(7.3)
- Sec. 40(a)(ia) disallowances	(2.8)	(35.1)
- Rule 9A/9B allowance	41.9	19.9
- Others	(3.5)	(2.4)
	339.2	261.0

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Schedules to the Consolidated Balance Sheet as at March 31, 2010
(All amounts are in millions of Indian Rupees, unless otherwise stated)

5 Fixed assets

	Free hold Land	Buildings	Plant and machinery	Furniture and fittings	Leasehold Improvements	Motor vehicles*	March 31, 2010	March 31, 2009
<i>Gross block</i>								
Balance, April 1, 2009	357.3	82.1	6,619.6	44.2	276.9	181.6	7,561.7	4,767.7
Additions	520.1	179.0	440.5	67.4	183.4	77.6	1,468.0	3,841.7
Disposals	-	-	(0.2)	-	-	(13.8)	(14.0)	(1,047.7)
Balance - March 31, 2010	877.4	261.1	7,059.9	111.6	460.3	245.4	9,015.7	7,561.7
<i>Accumulated Depreciation</i>								
Balance, April 1, 2009	-	5.2	2,232.5	31.2	71.5	96.6	2,437.0	1,937.5
Charge for the period	-	7.2	739.7	4.3	99.6	30.0	880.8	672.2
Adjustment for disposals	-	-	(0.1)	-	-	(12.1)	(12.2)	(172.7)
Balance - March 31, 2010	-	12.4	2,972.1	35.5	171.1	114.5	3,305.6	2,437.0
<i>Net block</i>								
As at March 31, 2010	877.4	248.7	4,087.8	76.1	289.2	130.9	5,710.1	5,124.7
As at March 31, 2009	357.3	76.9	4,387.1	13.0	205.4	85.0	5,124.7	

*Under certain arrangements between the Company and its Directors, the Company has, 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, 2010 are Rs 88.3 million and Rs 30.4 million respectively (March 31, 2009 - Rs 91.9 million and Rs 41.4 million respectively).

Schedules to the Consolidated Balance Sheet as at March 31, 2010
(All amounts are in millions of Indian Rupees, unless otherwise stated)

6 Intangible assets

	Film and Program Broadcasting Rights	Film Production Costs Distribution and Related Rights	Software	Licenses	Goodwill on Amalgamation	Goodwill on Consolidation	March 31, 2010	March 31, 2009
<i>Gross block</i>								
Balance, April 1, 2009	4,457.9	266.0	123.0	1,933.6	196.3	375.6	7,352.4	5,418.8
Additions	1,748.6	754.0	8.5	1.2	-	62.5	2,574.8	1,933.6
Disposals	(61.5)	-	-	-	-	-	(61.5)	-
Balance - March 31, 2010	6,145.0	1,020.0	131.5	1,934.8	196.3	438.1	9,865.7	7,352.4
<i>Accumulated Amortisation</i>								
Balance, April 1, 2009	3,622.2	203.5	72.8	314.9	117.7	-	4,331.1	2,798.8
Charge for the period	1,400.9	663.0	30.1	195.1	39.2	-	2,328.3	1,532.3
Adjustment for disposals	(61.5)	-	-	-	-	-	(61.5)	-
Balance - March 31, 2010	4,961.6	866.5	102.9	510.0	156.9	-	6,597.9	4,331.1
<i>Net block</i>								
As at March 31, 2010	1,183.4	153.5	28.6	1,424.8	39.4	438.1	3,267.8	3,021.3
As at March 31, 2009	835.7	62.5	50.2	1,618.7	78.6	375.6	3,021.3	

Schedules to the Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
7 Investments		
Long Term Investments (At cost) - Trade		
In Associates (Unquoted) [Refer Note 23.8]		
AV Digital Networks (Hyderabad) Private Limited		
413,605 (March 31, 2009 - 413,605) fully paid equity shares of Rs 10/- each	6.6	6.6
Share of Profit / (Loss) from the Associate Company	(6.6)	(6.6)
	-	-
21,000,000 (March 31, 2009 - 21,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	250.6	250.6
	250.6	250.6
Metro Digital Networks (Hyderabad) Private Limited		
413,605 (March 31, 2009 - 413,605) fully paid equity shares of Rs 10/- each	4.1	4.1
Share of Profit / (Loss) from the Associate Company	-	-
	4.1	4.1
64,000,000 (March 31, 2009 - 64,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	763.0	763.0
	767.1	767.1
Deccan Digital Networks (Hyderabad) Private Limited		
413,605 (March 31, 2009 - 413,605) fully paid equity shares of Rs 10/- each	11.7	7.9
Share of Profit / (Loss) from the Associate Company	5.9	3.8
	17.6	11.7
57,000,000 (March 31, 2009 - 57,000,000) fully paid 0.1% cumulative preference shares of Rs 10/- each	679.6	679.6
	697.2	691.3
Asia Radio Broadcast Private Limited		
2,857,000 (March 31, 2009 - 2,857,000) fully paid equity shares of Rs 10/- each	31.0	32.2
Share of Profit / (Loss) from the Associate Company	(6.6)	(1.2)
	24.4	31.0
Optimum Media Services Private Limited		
2,857,000 (March 31, 2009 - 2,857,000) fully paid equity shares of Rs 10/- each	28.6	28.6
Share of Profit / (Loss) from the Associate Company	-	-
	28.6	28.6

Schedules to the Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
Pioneer Radio Training Services Private Limited		
2,857,000 (March 31, 2009 - 2,857,000) fully paid equity shares of Rs 10/- each	35.8	30.0
Share of Profit / (Loss) from the Associate Company	9.0	5.8
	<u>44.8</u>	<u>35.8</u>
Current Investments (At lower of cost and market value)		
Quoted (trade)		
469,636 fully paid equity shares of Rs 1/- each (March 31, 2009 -- 367,000 fully paid equity shares of Rs 1/- each) in City Union Bank Limited	1.4	0.8
	<u>1.4</u>	<u>0.8</u>
Mutual Funds		
HDFC Cash Management Fund - 6,688,947.990 units (March 31, 2009 - Nil units) Face value: Rs 10 per unit	67.1	-
ICICI Prudential - 2,330,966.456 units (March 31, 2009 - Nil units) Face value: Rs 100 per unit	246.5	-
Franklin Templeton Floating Rate Income Fund - 15,169,092.114 units (March 31, 2009 - Nil units) Face value: Rs 10 per unit	151.8	-
	<u>465.4</u>	<u>-</u>
	2,279.5	1,805.2
Market value of quoted (trade) Investments	13.5	4.5
NAV of Mutual Funds	465.4	-
8 Non-current assets		
<i>Film and program broadcasting rights</i>		
Balance, beginning of year	232.8	84.7
Additions during the year	1,949.4	1,633.8
Less: Rights transferred to other current assets	(1,882.2)	(1,485.7)
	<u>300.0</u>	<u>232.8</u>
9 Inventories (At lower of cost and net realisable value)		
Consumables and media	3.3	1.3
Receivers and Cards	23.7	-
	<u>27.0</u>	<u>1.3</u>
10 Sundry debtors (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	125.3	220.3
- Considered doubtful	223.0	196.8
	<u>348.3</u>	<u>417.1</u>
Other debtors		
- Considered good	3,166.6	2,191.4
- Considered doubtful	19.7	-
	<u>3,186.3</u>	<u>2,191.4</u>
Total	3,534.6	2,608.5
Less: Provision for doubtful debts	(242.7)	(196.8)
	<u>3,291.9</u>	<u>2,411.7</u>

Schedules to the Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
11 Cash and bank balances		
Cash on hand	0.8	0.4
Cheques on hand	-	36.0
Bank balances with scheduled banks		
- on current accounts	444.0	323.2
- on deposit accounts*	3,912.5	3,293.9
- on unpaid dividend accounts	0.5	0.5
Bank balances with other banks		
- on current accounts	9.4	-
	4,367.2	3,654.0
* Balances in deposit accounts with scheduled banks includes unutilised monies from the public issue of Rs.546.4 million (March 31, 2009 of Rs 1,289.5 million) [Also refer Note 23.10].		
12 Other current assets		
<i>Film and program broadcasting rights</i>		
Balance, beginning of year	789.4	376.5
Add: Rights transferred from non-current assets	1,882.2	1,485.7
Less: Rights transferred to intangible assets	(1,748.6)	(1,072.8)
Balance, end of year	923.0	789.4
Interest accrued		
- on fixed deposits	5.3	32.2
Assets held for disposal	-	87.4
Unbilled revenues	141.9	166.3
	1,070.2	1,075.3
13 Loans and advances (Unsecured)		
Considered doubtful		
Advances towards movie rights	69.1	21.4
Advances recoverable in cash or in kind, or for value to be received	25.7	21.4
Considered good		
Advances recoverable in cash or in kind, or for value to be received	67.4	75.8
Loans to Associates	380.2	362.9
Advances towards movie rights	536.9	551.2
Deposits with Government agencies	59.5	55.6
Rental and other deposits	80.7	76.6
Advance income-tax and taxes deducted at source, net of provision for income-tax	328.8	429.8
Prepaid expenses	97.1	86.1
Balances with excise authorities	38.7	29.4
	1,684.1	1,710.2
Less: Provision for doubtful advances	(94.8)	(42.8)
	1,589.3	1,667.4

Schedules to the Consolidated Balance Sheet as at March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
14 Current liabilities		
Sundry creditors	383.8	458.9
Book overdraft	-	0.9
Advances from customers	113.8	125.8
Deferred revenues	116.5	73.7
Deposits from customers and other current liabilities	136.1	114.3
Security deposits and other current liabilities	-	2.9
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
- Unpaid dividends	0.5	0.5
Accrued expenses	1,088.5	943.0
	1,839.2	1,720.0
15 Provisions		
Provision for gratuity	10.6	7.1
Proposed dividend	2,364.5	394.1
Tax on proposed dividend	392.7	67.0
	2,767.8	468.2

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Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
16 Revenues		
Advertising income	8,449.6	6,057.4
Broadcast fees	1,342.8	1,303.6
Program licensing income	544.2	540.4
Subscription income	3,431.3	2,151.4
Income from content trading	20.3	15.8
Income from movie distribution	674.9	282.3
Aircraft charter services	65.3	42.7
	14,528.4	10,393.6
17 Other income		
Interest earned		
- on bank deposits	296.8	368.6
- on finance lease	-	0.8
- on overdue advances	19.8	19.4
Advances written off, recovered	2.0	1.6
Dividend income from trade investments and mutual funds (Current)	17.2	0.1
Profit on sale of assets (net)	3.9	162.6
Gain on foreign exchange fluctuation (net)	-	64.6
Reversal of provision for bad debts	-	21.5
Provision/liability no longer required written back	-	23.0
Miscellaneous income	9.8	5.8
	349.5	668.0
18 Cost of revenues		
Telecast costs	211.1	175.6
Program production expenses	438.7	421.1
Cost of program rights	243.8	249.8
Consumables and media expensed	16.5	19.8
Pay channel service charges	111.1	75.8
Licenses	140.6	135.2
Others	30.2	36.5
	1,192.0	1,113.8
19 Employees' remuneration and benefits		
Salaries and allowances	523.0	357.2
Gratuity expense	14.8	2.9
Contributions to provident fund and employee state insurance plans	42.0	35.6
Staff welfare	18.2	17.8
Directors' remuneration	741.6	741.6
	1,339.6	1,155.1

Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2010
 (All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2010	March 31, 2009
20 General and administration expenses		
Legal and professional fees	37.3	44.3
Travel and conveyance	66.3	96.2
Rent	102.8	82.6
Electricity expense	93.0	81.5
Power and fuel	47.3	59.3
Repairs and maintenance		
- Building	0.8	0.6
- Plant and machinery	53.7	37.6
- Others	81.6	79.4
Communication	45.1	49.9
Utilities	44.5	39.1
Insurance	14.2	11.5
Bad debts written off	155.3	27.0
Provision for doubtful debts	45.9	-
Provision for doubtful advances and assets	52.0	23.8
Donations	8.7	18.0
Loss on foreign exchange fluctuation (net)	29.9	-
Rates and taxes	14.7	3.6
Miscellaneous expenses	34.8	29.4
Preliminary expenses written off	0.2	0.4
	928.1	684.2
21 Selling expenses		
Advertisement and marketing expenses	124.9	73.0
	124.9	73.0
22 Financial charges		
Interest		
- on loans against deposits	5.0	29.7
- on unsecured loans from banks	32.4	86.2
- others	5.4	12.8
Bank charges	6.6	9.2
	49.4	137.9

Consolidated Financial Statements for the year ended March 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Consolidated Financial Statements (Continued)

23 Notes to the consolidated financial statements

23.1 Background

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

The Company has three subsidiaries – Kal Radio Limited ('KRL') and South Asia FM Limited ('SAFML') both of which are incorporated in India and Sun TV Network Europe Limited ('STNEL') incorporated in the United Kingdom. KRL was incorporated on October 7, 2005 as Kal Radio Private Limited and 97.8% of its paid up equity share capital is held by Sun TV as at the balance sheet date. SAFML was incorporated on November 9, 2005 as South Asia FM Private Limited and as at the balance sheet date, the Company holds 59.15 % of its paid up equity share capital. KRL and SAFML are engaged in producing and broadcasting radio software programming in Indian regional languages. STNEL, a wholly owned subsidiary of the Company was incorporated on June 25, 2009 and is engaged in the business of broadcasting and distribution of the Company's channels in Europe. KRL, SAFML and STNEL are hereinafter collectively referred to as 'Subsidiaries'.

Sun TV along with its Subsidiaries and its associate companies (as detailed below) are 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 Company's flagship channel is Sun TV. The other major satellite channels of the Company are Surya TV, Gemini TV and Udaya TV. The Company is also into the business of FM Radio broadcasting at Chennai, Coimbatore and Tirunelveli. The Company's film production/ distribution division 'Sun pictures' undertakes production/ distribution of movies in Tamil language. KRL operates 18 Frequency Modulation ('FM') stations in South India. SAFML operates 21 FM stations and has licenses to operate in 2 other locations in the rest of India.

During the year, based on certain additional investments made by the minority shareholders in SAFML, the Company's effective share holding in SAFML has been reduced from 64.12% to 59.15%. Further, inter-corporate deposits placed by the Company aggregating to Rs. 528.8 million in KRL and Rs. 1,317.0 million in SAFML have been converted into 0.1% compulsorily convertible preference shares at their face value.

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.

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Consolidated Financial Statements (Continued)

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

Name	Effective holding of the Company	
	March 31, 2010	March 31, 2009
Deccan Digital Networks (Hyderabad) Private Limited*	17.14%	18.59%
Metro Digital Networks (Hyderabad) Private Limited*	17.14%	18.59%
AV Digital Networks (Hyderabad) Private Limited*	17.14%	18.59%
Pioneer Radio Training Services Private Limited**	28.92%	31.35%
South Asia Multimedia Private Limited**	28.92%	31.35%
Optimum Media Services Private Limited**	28.92%	31.35%
Asia Radio Broadcast Private Limited**	28.92%	31.35%
Digital Radio (Delhi) Broadcasting Limited**	28.92%	31.35%
Digital Radio (Mumbai) Broadcasting Limited **	28.92%	31.35%
Digital Radio (Kolkata) Broadcasting Limited **	28.92%	31.35%

* - 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'.

23.2 Statement of significant accounting policies

a) Basis of preparation

The Consolidated Financial Statements ('CFS') have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ('the Act') to reflect the financial position of Sun TV together with its subsidiaries, KRL, SAFML and STNEL ('Subsidiaries') and its associates referred to in the preceding paragraph. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Group are consistent with those used in the previous year. Further, the consolidated financial statements are presented in the general format specified in Schedule VI to the Companies Act, 1956. However, as these consolidated financial statements are not statutory financial statements, full compliance with the above Act are not required and so they do not reflect all the disclosure requirements of the Act.

The accompanying consolidated financial statements have been stated in millions of Indian rupees and, accordingly, transactions or balances less than Rs 0.1 million are disclosed by way of a separate note wherever applicable.

b) Principles of consolidation

- The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the Balance Sheet, at March 31, 2010 and Profit and Loss and Cash Flows of Sun TV, KRL, SAFML and STNEL for the year ended March 31, 2010, in accordance with Accounting Standard 21 'Consolidated Financial Statements'.
- The financial statements of the Subsidiaries and associates used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2010.
- All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

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Schedules to the Consolidated Financial Statements (Continued)

The investment in the associate companies has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's direct and indirect percentage holding in its share capital of the respective associates.

Any excess / shortage of cost to the Company of its investment in the subsidiaries and associates over its proportionate share in the equity of such subsidiaries and associates as at the date of the investment are recognized as goodwill / capital reserve in the CFS.

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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Fixed assets and depreciation

Fixed assets

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

Amounts paid under contractual terms for purchasing fixed assets and fixed assets acquired but not put to use at the Balance Sheet date are classified as capital work in progress.

Assets intended to be sold or otherwise disposed off within twelve months from the Balance Sheet date if any, are classified as other current assets and are disclosed as assets held for disposal, and are stated at the lower of net book value and net realisable value as estimated by management.

Depreciation

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

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	Per cent
Buildings	5.00 - 13.91
Plant and machinery	13.91 - 100.00
Computer and related equipment	40.00 - 51.64
Furniture and fittings	13.91 - 51.64
Office equipment	13.91 - 51.64
Motor Vehicles	25.89 - 51.64

Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based on management's estimate of useful live of such Aircrafts, i.e. 10 to 15 years.

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

The gross block of plant and machinery as at March 31, 2010 includes cost of program production equipment of Rs. 1,455.9 million (Rs. 1,374.4 million), post production equipment of Rs. 660.0 million (Rs. 646.4 million), reception and distribution facilities of Rs. 1,500.1 million (Rs. 1,243.7 million), computers and related equipment of Rs. 583.7 million (Rs. 551.9 million), office equipment of Rs. 218.8 million (Rs. 161.8 million) and aircraft of Rs. 2,641.4 million (Rs. 2,641.4 million). The net block of plant and machinery as at March 31, 2010 includes the net book value of program production equipment of Rs. 363.6 million (Rs. 361.0 million), post production equipment of Rs. 341.7 million (Rs. 413.6 million), reception and distribution facilities of Rs. 719.8 million (Rs. 767.7 million), computers and related equipment of Rs. 169.7 million (Rs. 215.2 million), office equipment of Rs 135.2 million (Rs. 95.8 million) and aircraft of Rs 2,357.8 million (Rs. 2,533.8 million).

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

e) Intangible assets
❑ Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software, 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. Satellite Rights, where the right to telecast commences after 12 months from the balance sheet date are disclosed as non-current assets and rights, where the right to telecast commences within 12 months from the balance sheet date are disclosed as other current assets.

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(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)

Schedules to the Consolidated Financial Statements (Continued)

Satellite Rights are transferred to intangible assets, as and when they become available for telecast on television. Satellite Rights disclosed under intangible assets represent rights, which are available for use as at the balance sheet date.

Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc, and accordingly cost related to film and program broadcasting rights are fully expensed on the date of first telecast of the film / program episode, as the case may be.

□ Film production costs, distribution and related rights

Upon the theatrical release of a movie, the cost of production / acquisition of all the rights related to each such movie is amortised in the ratio that current period revenue for the movie bears to the management's estimate of the remaining unrecognised revenue for all rights arising from the movie, as per the individual-film-forecast method. The estimates for remaining unrecognised revenue for each movie is reviewed periodically and revised if necessary.

Expenditure incurred towards production of movies not complete as at balance sheet date and amounts paid under contractual terms for acquiring distribution rights and related rights of movies not released in theatres as at the balance sheet date are classified as intangible assets under development.

□ Licenses

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

□ Goodwill arising on Amalgamation

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

□ Goodwill arising on Consolidation

The carrying amount of goodwill arising on consolidation including those arising on investments made by the group in its associates is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment losses are recognised wherever the carrying amount of an asset exceeds its recoverable amount.

f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash

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flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g) Inventory

Inventories are valued at the lower of cost and net realizable value on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the investments.

Investment in associates

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

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) Retirement and other employee benefit

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

j) Taxation

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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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) 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.

- ❑ Advertising income and broadcast fees are recognised when the related commercial or programme is telecast.
- ❑ Program licensing income represents income from the export of program software content, and is recognised in accordance with the terms of agreements with customers.
- ❑ Subscription income represents subscription fees billed to cable operators and Direct to Home ('DTH') service providers towards pay-channels operated by the Company, and are recognised in the period during which the service is provided. Subscription fees billed to cable operators are determined based on management's best estimates of the number of subscription points to which the service is provided, at contractually agreed rates. Subscription income from DTH customers is recognised in accordance with the terms of agreements entered into with the service providers.

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Schedules to the Consolidated Financial Statements (Continued)

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 collections.

Income from content trading represent revenue earned from mobile service providers and is recognised as per the terms of contract with mobile service providers.

Revenues from aircraft charter services are recognised based on services provided and billed as per the terms of the contracts with the customers.

Revenues from barter transactions, and the related costs, are recorded at fair values of the services rendered and services received, as estimated by management.

Interest income is recognised on time proportion basis.

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.

Dividend Income is recognised when the right to receive payment is established by the balance sheet date.

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

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

n) Cash and Cash equivalents

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

o) Foreign currency transactions

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

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

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

All exchange differences arising on settlement / conversion of foreign currency transactions are included in the profit and loss account.

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Schedules to the Consolidated Financial Statements (Continued)

Translations

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

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

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.

q) Segment reporting

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

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

r) Miscellaneous expenditure

Miscellaneous expenditure is amortized over a period of five years from the year in which KRL and SAFML commenced their operations.

23.3 Capital Commitments (net of advances)

	31.03.2010	31.03.2009
Outstanding commitments on capital contracts	1,288.6	3,189.7
Commitments for acquisition of film and program broadcasting rights	843.1	620.1
	2,131.7	3,809.8

23.4 Contingent Liabilities not provided for

	31.03.2010	31.03.2009
Income Tax	587.7	190.0
Claims against the Group not acknowledged as debt	5.0	-
	592.7	190.0

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The Company received demands of income tax in respect of earlier years, disallowing the manner of allowance claimed by the Company for certain expenses. The Company has gone on appeal against the said demands, and based on judicial pronouncements and other arguments, management believes that the Company's claim is likely to be accepted by appellate authorities.

23.5 Leases
Operating leases (As a Lessee)

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

Particulars	31.03.2010	31.03.2009
Lease payments recognised in the profit and loss account for the year	138.8	122.2
Minimum Lease Payments		
Not later than one year	130.0	109.7
Later than 1 year but not later than 5 years	331.1	194.7
Later than 5 years	62.3	76.9

23.6 Unhedged 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	31.03.2010		31.03.2009	
		Amount in Foreign Currency (in millions)	Amount in Indian Rupees (in millions)	Amount in Foreign Currency (in millions)	Amount in Indian Rupees (in millions)
Sundry Debtors	USD	1.5	69.0	2.3	115.5
Sundry Debtors	EURO	-	-	0.1	7.8
Sundry Debtors	CAD	0.1	5.3	0.1	2.3
Sundry Creditors	USD	0.0	1.5	0.4	20.9
Deposits from customers and Security deposits	AUD	0.1	2.1	0.1	1.8
Deposits from customers and Security deposits	USD	0.2	7.1	0.3	13.1

23.7 Employee benefit plans - Gratuity

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

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

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Schedules to the Consolidated Financial Statements (Continued)
Profit & Loss Account

	March 31, 2010	March 31, 2009
Current service cost on Benefit Obligations	9.1	5.3
Interest cost on Benefit Obligations	2.1	2.1
Expected return on plan assets	(2.3)	(1.5)
Net actuarial (gains)/ losses recognised in the year	5.9	(3.0)
Net Benefit Expense	14.8	2.9
Actual return on plan assets	1.9	1.0

Balance Sheet
Details of Provision for gratuity

	March 31, 2010	March 31, 2009
Defined benefit obligation	42.2	27.7
Fair value of plan assets	(31.6)	(20.6)
Plan Liability /(Asset)	10.6	7.1
Experience adjustments on plan liabilities	5.4	(3.5)
Experience adjustments on plan assets	0.5	0.5

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

	March 31, 2010	March 31, 2009
Opening defined benefit obligation	27.7	26.8
Current service cost	9.1	5.3
Interest cost	2.1	2.1
Actuarial (gains) / losses on obligation	5.4	(3.5)
Benefits paid	(2.1)	(3.0)
Closing defined benefit obligation	42.2	27.7

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

	March 31, 2010	March 31, 2009
Opening fair value of plan assets	20.6	12.3
Expected return	2.3	1.5
Actuarial gains / (losses)	(0.5)	(0.5)
Contributions by employer	11.3	10.3
Benefits paid	(2.1)	(3.6)
Closing fair value of plan assets	31.6	20.6

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

	March 31, 2010	March 31, 2009
	%	%
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.00% - 9.25%	9.25%
Employee turnover	1%-3%	1%-3%

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

The overall expected rate of return on assets is determined based on the 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.

23.8 Goodwill / (Capital Reserve) arising on investments of the group in its Associates

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

23.9 Related party disclosures (to the extent not disclosed elsewhere in these consolidated financial statements)

1. Enterprises in which Key Management personnel or their relatives have significant influence	
Kal Comm Private Limited	Kungumam Nithyagam Private Limited
Kal Cables Private Limited	Kal Publications Private Limited
Kal Investments (Madras) Private Limited	D.M.S Entertainment Private Limited
Network Cable Solutions Private Limited	HFO Entertainment Private Limited
Sun Direct TV Private Limited	D.K. Enterprises Private Limited
Sun Academy Private Limited	Sun Foundation
Kungumam Publications Private Limited	Murasoli Maran Family Trust
Udaya FM Private Limited	Kal Media Services Private Limited
2. Associates	
AV Digital Networks (Hyderabad) Private Limited	
Asia Radio Broadcast Private Limited	
Digital Radio (Kolkata) Broadcasting Limited	
Metro Digital Networks (Hyderabad) Private Limited	
Optimum Media Services Private Limited	
Digital Radio (Mumbai) Broadcasting Limited	
Deccan Digital Networks (Hyderabad) Private Limited	
Pioneer Radio Training Services Private Limited	
South Asia Multimedia Private Limited	
Digital Radio (Delhi) Broadcasting Limited	

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3. Key Management personnel	
Mr. Kalanithi Maran	Chairman and Managing Director - Sun TV Network Limited
Mrs. Kavery Kalanithi	Joint Managing Director - Sun TV Network Limited
Mr. K. Shanmugam	Managing director of Kal Radio Limited and South Asia FM Limited
4. Relatives of Key Management personnel	
Mrs. Mallika Maran	

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Schedules to the consolidated financial Statements (continued)

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

Transactions and balances with related parties

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Income :								
Subscription Income from pay channels								
<i>Kal Comm Private Limited</i>	1,569.2	1,309.3	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	1,089.7	478.8	-	-	-	-	-	-
Advertising Income								
<i>Sun Direct TV Private Limited</i>	319.1	275.2	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	0.3	0.3	-	-	-	-	-	-
Aircraft charter services								
<i>Sun Direct TV Private Limited</i>	41.5	16.2	-	-	-	-	-	-
<i>Kal Cables Private Limited</i>	-	0.3	-	-	-	-	-	-
<i>Kal Comm Private Limited</i>	20.9	21.0	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	2.9	2.0	-	-	-	-	-	-
Rental income								
<i>Sun Direct TV Private Limited</i>	1.0	0.9	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	0.2	-	-	-	-	-	-	-
<i>Kal Cables Private Limited</i>	0.1	-	-	-	-	-	-	-
Interest earned								
<i>Kungumam Publications Private Limited</i>	-	0.8	-	-	-	-	-	-
<i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	19.3	19.2	-	-	-	-
Reversal of provision for bad debts								
<i>Kal Comm Private Limited</i>	30.0	-	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the consolidated financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Expenses :								
Pay Channel Service Charges <i>Kal Comm Private Limited</i>	111.1	75.4	-	-	-	-	-	-
Donations <i>Sun Foundation</i>	8.7	17.5	-	-	-	-	-	-
Program Production expenses <i>Kal Publications Private Limited</i>	43.8	43.8	-	-	-	-	-	-
<i>D.K Enterprises Private Limited</i>	0.6	0.9	-	-	-	-	-	-
Legal and professional fees <i>Mrs. Mallika Maran</i>	-	-	-	-	-	-	0.2	0.2
Rent Expense <i>Kal Publications Private Limited</i>	5.1	3.3	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	2.6	1.8	-	-	-	-	-	-
Advertisement expenses <i>Kal Publications Private Limited</i>	48.5	5.2	-	-	-	-	-	-
Remuneration paid (including ex-gratia) <i>Mr. Kalanithi Maran</i>	-	-	-	-	370.8	370.8	-	-
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	370.8	370.8	-	-
<i>Mr. K. Shanmugam</i>	-	-	-	-	4.9	3.5	-	-

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the consolidated financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Share in profits / (losses) from Associates								
AV Digital Networks (Hyderabad) Private Limited	-	-	-	(0.9)	-	-	-	-
Deccan Digital Networks (Hyderabad) Private Limited	-	-	5.9	3.8	-	-	-	-
Asia Radio Broadcast Private Limited	-	-	(6.6)	(1.2)	-	-	-	-
Pioneer Radio Training Services Private Limited	-	-	9.0	5.8	-	-	-	-
Dividends Paid								
Mr. Kalanithi Maran	-	-	-	-	758.6	1,213.8	-	-
Reimbursement of Cost of shared services								
Kal Publications Private Limited	1.0	1.5	-	-	-	-	-	-
Kungumam Publications Private Limited	-	-	-	-	-	-	-	-
Kal Cables Private Limited	-	3.5	-	-	-	-	-	-
Kal Comm Private Limited	-	3.3	-	-	-	-	-	-
Sun Direct TV Private Limited	-	0.4	-	-	-	-	-	-
Sale of Assets								
Kal Publications Private Limited	0.5	-	-	-	-	-	-	-
Depreciation recharge								
Kal Cables Private Limited	-	0.2	-	-	-	-	-	-
Kal Publications Private Limited	-	0.4	-	-	-	-	-	-
Kungumam Publications Private Limited	-	0.2	-	-	-	-	-	-
Expenditure on Intangible assets under development								
D.K. Enterprises Private Limited	1.3	-	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the consolidated financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Rental deposits placed by the Group <i>Kal Publications Private Limited</i> <i>Sun Direct TV Private Limited</i>	- -	0.4 0.2	- -	- -	- -	- -	- -	- -
Present value of minimum lease payments <i>Kungumam Publications Private Limited</i>	-	5.4	-	-	-	-	-	-
Advance made by the Group <i>Sun Direct TV Private Limited</i> <i>Kal Publications Private Limited</i>	- -	0.1 0.3	- -	- -	- -	- -	- -	- -
Balance Outstanding :								
Unsecured Loans payable <i>Mr. Kalanithi Maran</i>	-	-	-	-	-	1.4	1.4	-
Accounts Receivable <i>Kal Comm Private Limited</i> <i>Sun Direct TV Private Limited</i> <i>Kal Publications Private Limited</i>	191.3 205.8 0.5	470.0 73.1 1.9	- - -	- - -	- - -	- - -	- - -	- - -
Loans and Advance <i>Kal Publications Private Limited</i> <i>Kal Comm Private Limited</i> <i>AV Digital Networks (Hyderabad) Private Limited</i>	- 5.2 -	0.1 5.2 -	- - 321.5	- - 321.5	- - -	- - -	- - -	- - -
Advance from customers <i>Sun Direct TV Private Limited</i>	28.1	0.1	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Schedules to the consolidated financial Statement (continued)
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Nature of transaction	Enterprises in which Key Management personnel or their relatives have significant influence		Associates		Key managerial personnel		Relatives of Key managerial personnel	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Interest receivable <i>AV Digital Networks (Hyderabad) Private Limited</i>	-	-	58.7	41.4	-	-	-	-
Unbilled revenue <i>Sun Direct TV Private Limited</i>	1.5	74.0	-	-	-	-	-	-
Rental and other deposits <i>Kal Publications Private Limited</i>	1.0	1.0	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	1.1	1.2	-	-	-	-	-	-
Accounts Payable <i>Kal Comm Private Limited</i>	8.9	16.2	-	-	-	-	-	-
<i>Kal Publications Private Limited</i>	4.2	10.8	-	-	-	-	-	-
<i>Udaya FM Private Limited</i>	6.7	5.8	-	-	-	-	-	-
<i>Sun Direct TV Private Limited</i>	0.1	0.4	-	-	-	-	-	-
<i>Kal Cables Private Limited</i>	0.1	-	-	-	-	-	-	-
<i>D.K. Enterprises Private Limited</i>	0.7	-	-	-	-	-	-	-
Deposits Payable <i>Kal Comm Private Limited</i>	19.5	19.5	-	-	-	-	-	-
Remuneration Payable <i>Mr. Kalanithi Maran</i>	-	-	-	-	262.2	262.2	-	-
<i>Mrs. Kavery Kalanithi</i>	-	-	-	-	262.2	262.2	-	-
Advance from customers <i>Sun Direct TV Private Limited</i>	28.1	-	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
(All Amounts are in Millions of Indian Rupees, Unless otherwise stated)
Schedules to the Consolidated Financial Statements (Continued)
23.10 Utilisation of IPO proceeds

The utilisation of the total IPO proceeds of Rs. 6,027.9 million as at March 31, 2010 is as under:

S.No	Purpose	Uses of Funds as projected in the prospectus	Actual use of funds as at March 31, 2010	Actual use of funds as at March 31, 2009
1	Capitalisation of the subsidiaries	3,557.7	3,557.7	3,103.6
2	Launch of new TV channels and Purchase of new equipment and up-gradation of existing equipment	1,449.5	1,022.3	803.2
3	Construction of an owned corporate office, studio facilities and additional uplinking infrastructure	623.4	623.4	553.5
4	General corporate purposes	88.8	-	-
5	Share issue expenses	308.5	278.1	278.1
	Total	6,027.9	5,481.5	4,738.4

The balance proceeds from the IPO pending utilisation have been invested in fixed deposits with banks.

23.11 Export Obligation

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

Accordingly, the Company currently has an export obligation aggregating to Rs. 243.9 million (March 31, 2009 Rs. Nil).

23.12 Prior year comparatives

Prior year figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per S.Balasubrahmanyam
Partner
 Membership No.: 053315

Kalanithi Maran
 Chairman and
 Managing Director

Kavery Kalanithi
 Joint Managing
 Director

R. Ravi
 Company Secretary

Chennai
 May 28, 2010

Chennai
 May 28, 2010

Chennai
 May 28, 2010

Chennai
 May 28, 2010

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Rs. in Million

Name of the Company	KAL RADIO LTD		SOUTH ASIA FM LTD		SUN TV NETWORK EUROPE LIMITED*
Particulars	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010
Share Capital (incl. Share application money)	1,769.35	1,240.55	4,698.61	2,309.7	59.8
Reserves & Surplus	-	-	-	-	-
Total Liabilities(^)	247.72	689.02	371.11	2,376.73	95.1
Total Assets (#)	2,017.07	1,929.57	5,069.72	4,686.43	154.9
Total Income (including other income)	352.87	220.78	229.74	131.20	33.2
Profit/ (Loss) before Tax	(138.95)	(292.45)	(445.41)	(675.42)	(80.3)
Provision for Tax	-	1.00	-	1.80	0.2
Profit/ (Loss) after Tax	(138.95)	(293.45)	(445.41)	(677.22)	(80.5)
Proposed Dividend (including Dividend Tax)	-	-	-	-	-
Investments (Included in Total Assets)	-	-	1,791.23	1,791.23	-

^ (Unsecured Loans + Deferred tax liability + Current Liabilities)

(Net Fixed Assets + Capital Work in Progress + Net Intangible Assets + Investments + Current Assets, Loans & Advances + Prelim. Exps + Debit Balance in Profit & Loss Account)

* Became subsidiary during the year 2009-10; Exchange rate used for Balance Sheet is 1 GBP = INR 67. 87 (closing) & for Income Statement is 1 GBP = INR 76.28 (average).

SUN TV NETWORK LIMITED
Regd. Office: 4, Norton Road, Mandaveli, Chennai – 600 028

ATTENDANCE SLIP

Twenty Fifth Annual General Meeting, 5th August 2010

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

No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company to be held on Thursday, the 5th August 2010 at 10.00 AM at Narada Gana Sabha, 314, T T K Road, Chennai – 600018.

Name of the Member/proxy
(in BLOCK letters) Name of the Member/proxy

Signature of the member/proxy

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



SUN TV NETWORK LIMITED
Regd. Office: 4, Norton Road, Mandaveli, Chennai – 600 028

PROXY FORM

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

Twenty Fifth Annual General Meeting, 5th August 2010

No. of shares held _____

I/We _____ of _____ being a member of Sun TV Network Limited hereby appoint _____ of _____ as my/our Proxy or failing him/her _____ of _____ as my proxy to vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Thursday, the 5th August 2010 at 10.00 AM at Narada Gana Sabha, 314, T T K Road, Chennai – 600018 and at any adjournment thereof.

Signed this _____ day of _____ 2010

Affix
1 Rupee
Stamp

Note: The proxy form in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company at 4, Norton Road, Mandaveli, Chennai – 600 028 not less than 48 hours before the time for holding the meeting.

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