



# SUN TV NETWORK LIMITED

Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600 028, India.  
Tel : +91-44-4467 6767 Fax : +91-44-4067 6161 Email: [tinfo@sunnetwork.in](mailto:tinfo@sunnetwork.in)  
Website: [www.suntv.in](http://www.suntv.in) CIN.: L22110TN1985PLC012491

6<sup>th</sup> October 2017

BSE Limited,  
Floor No.25, P J Towers,  
Dalal Street,  
Mumbai - 400 001

Sir,

Sub: Annual Report for the Financial Year 2016-17

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015

Scrip Code: 532733 - Scrip Id: SUNTV

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attached herewith the Annual Report for the Financial Year 2016-17.

We hereby confirm that the Annual Report 2016-17 was approved and adopted by the members of the Company at their 32<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> September 2017, as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking you,

For Sun TV Network Limited

R. Ravi  
Company Secretary &  
Compliance Officer

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY & COMPLIANCE OFFICER

R. Ravi

### BANKERS

|                  |                     |
|------------------|---------------------|
| Axis Bank        | Indian Bank         |
| City Union Bank  | Kotak Mahindra Bank |
| Corporation Bank | State Bank of India |
| HDFC Bank        | Yes Bank            |
| ICICI Bank       |                     |

### AUDITORS

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

### SECRETARIAL AUDITORS

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

### REGISTERED OFFICE

Murasoli Maran Towers,  
73, MRC Nagar Main Road,  
MRC Nagar, Chennai - 600 028.  
[www.suntv.in](http://www.suntv.in)

### REGISTRAR AND SHARE TRANSFER AGENT

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

#### **AUDIT COMMITTEE**

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

#### **NOMINATION & REMUNERATION COMMITTEE**

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

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

#### **MANAGEMENT**

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

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**FINANCIAL PERFORMANCE FOR LAST 10 YEARS**  
( All amounts are in Crores of Indian Rupees, unless otherwise stated )

**Financial Highlights**

| Particulars                 | 2016-17  | 2015-16   | 2014-15  | 2013-14  | 2012-13  | 2011-12  | 2010-11  | 2009-10  | 2008-09  | 2007-08 |
|-----------------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|---------|
| Revenue                     | 2,558.25 | 2,395.21  | 2,243.62 | 2,096.78 | 1,817.62 | 1,757.37 | 1,923.71 | 1,395.01 | 1,008.20 | 861.06  |
| Total Income                | 2,703.80 | 2,502.75  | 2,331.45 | 2,175.99 | 1,872.64 | 1,831.57 | 1,970.50 | 1,437.52 | 1,091.52 | 925.99  |
| PBITDA                      | 1,882.52 | 1,803.48  | 1,702.04 | 1,471.73 | 1,396.42 | 1,419.54 | 1,567.16 | 1,112.10 | 799.74   | 630.48  |
| Operating Expenditure       | 821.28   | 699.27    | 629.41   | 633.40   | 440.73   | 356.70   | 365.82   | 284.46   | 236.61   | 239.18  |
| Depreciation & Amortisation | 391.14   | 485.02    | 587.83   | 453.34   | 413.18   | 443.00   | 447.38   | 285.44   | 184.92   | 113.03  |
| Profit before Tax           | 1,490.35 | 1,134.24* | 1,111.99 | 1,084.71 | 1,013.94 | 1,026.32 | 1,155.32 | 866.42   | 666.10   | 568.22  |
| Profit after Tax            | 979.41   | 869.69    | 737.23   | 716.96   | 683.34   | 694.65   | 772.22   | 567.38   | 437.11   | 366.98  |
| Equity Dividend %           | 200%     | 310%      | 225%     | 190%     | 190%     | 190%     | 175%     | 150%     | 50%      | 50%     |

**Key Indicators**

| Particulars                | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Earnings per share (Rs.)   | 24.85   | 22.07** | 18.71   | 18.19   | 17.34   | 17.63   | 19.60   | 14.40   | 11.09   | 9.31    |
| Book Value per share (Rs.) | 102.50  | 89.26   | 85.76   | 80.49   | 73.41   | 67.12   | 60.54   | 51.13   | 45.49   | 37.32   |
| PBITDA %                   | 70%     | 72%     | 76%     | 70%     | 76%     | 80%     | 81%     | 80%     | 77%     | 72%     |
| Net Profit Margin %        | 36%     | 35%     | 32%     | 33%     | 36%     | 38%     | 39%     | 39%     | 40%     | 40%     |
| ROCE %                     | 40%     | 38%     | 34%     | 36%     | 36%     | 40%     | 52%     | 45%     | 41%     | 43%     |
| RONW %                     | 26%     | 25%     | 23%     | 24%     | 25%     | 28%     | 35%     | 30%     | 27%     | 27%     |

Notes: \* Profit Before Tax includes the income from exceptional items (net ) of Rs. 17.97 crores.

\*\* EPS includes the EPS on exceptional items (net ) of Rs. 0.46.

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Thirty Second Annual Report and Audited Financial Accounts of the Company for the financial year ended March 31, 2017.

### FINANCIAL HIGHLIGHTS

The financial highlights for the year ended March 31, 2017 are given below:

(Rs. in Crores)

| Particulars                                                                                   | Standalone<br>for the year ended |                   | Consolidated<br>for the year ended |                   |
|-----------------------------------------------------------------------------------------------|----------------------------------|-------------------|------------------------------------|-------------------|
|                                                                                               | March 31,<br>2017                | March 31,<br>2016 | March 31,<br>2017                  | March 31,<br>2016 |
| Total Income                                                                                  | 2,703.80                         | 2,502.75          | 2,799.52                           | 2,589.97          |
| Total Expenditure                                                                             | 1,213.45                         | 1,186.48          | 1,277.36                           | 1,239.79          |
| Profit before share of profit from Associates/Joint Ventures, exceptional items and tax       | 1,490.35                         | 1,316.27          | 1,522.17                           | 1,350.18          |
| Share of profit from an associates and a joint ventures                                       | -                                | -                 | 28.75                              | 30.95             |
| Profit before exceptional item and tax                                                        | 1,490.35                         | 1,316.27          | 1,550.92                           | 1,381.13          |
| Exceptional items (net)                                                                       | -                                | 17.97             | -                                  | 17.97             |
| Profit before tax after exceptional items (net)                                               | 1,490.35                         | 1,334.24          | 1,550.92                           | 1,399.10          |
| Income tax expense                                                                            | 510.94                           | 464.55            | 520.25                             | 476.79            |
| Profit for the year                                                                           | 979.41                           | 869.69            | 1,030.66                           | 922.31            |
| <b>Profit for the year attributable to:</b>                                                   |                                  |                   |                                    |                   |
| - Owners of the Company                                                                       | -                                | -                 | 1,030.26                           | 921.83            |
| - Non- Controlling Interest                                                                   | -                                | -                 | 0.41                               | 0.48              |
| Other Comprehensive Income                                                                    |                                  |                   |                                    |                   |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | (0.98)                           | 0.07              | (1.53)                             | (0.05)            |
| <b>Other Comprehensive Income for the year attributable to:</b>                               |                                  |                   |                                    |                   |
| - Owners of the Company                                                                       | -                                | -                 | 1.53                               | 0.05              |
| - Non- Controlling Interest                                                                   | -                                | -                 | -                                  | -                 |
| Total comprehensive income for the year                                                       | 978.43                           | 869.76            | 1,029.13                           | 922.26            |
| <b>Total Comprehensive Income for the year attributable to:</b>                               |                                  |                   |                                    |                   |
| - Owners of the Company                                                                       | -                                | -                 | 1,028.73                           | 921.78            |
| - Non- Controlling Interest                                                                   | -                                | -                 | 0.41                               | 0.48              |
| Total comprehensive income for the year                                                       | 978.43                           | 869.76            | 1,028.73                           | 921.78            |
| Retained Earnings at the beginning of the year                                                | 2,364.97                         | 2230.39           | 2,321.38                           | 2134.78           |
| Interim Dividend                                                                              | 394.08                           | 610.83            | 394.08                             | 610.83            |
| Tax on Interim Dividend                                                                       | 80.23                            | 124.35            | 80.23                              | 124.35            |
| Retained Earnings at the end of the year                                                      | 2,869.09                         | 2,364.97          | 2,875.80                           | 2,321.38          |
| Earnings Per Share ( Face Value Rs.5/- )                                                      | 24.85                            | 22.07             | 26.15                              | 23.40             |

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### SUMMARY OF OPERATIONS

The Total Income for the year ended March 31, 2017 was Rs. 2,703.80 crores as against Rs. 2,502.75 crores during the previous year ended March 31, 2016. Profit Before Tax after exceptional items was Rs. 1,490.35 crores as against Rs.1,334.24 crores in the previous year. Profit After Tax after exceptional items was Rs. 979.41 crores as against Rs. 869.69 crores in the previous year.

### BUSINESS OVERVIEW

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

Your Company has launched the first 24 hours Malayalam comedy channel namely “Surya Comedy” effective from April 29, 2017. “Sun NXT” the all new digital content platform was also launched effective from June 12, 2017 enabling customers to watch their popular TV programmes in Tamil, Telugu, Malayalam and Kannada anytime and anywhere on their favorite devices.

### DIVIDEND

In accordance with the Dividend Distribution Policy adopted by the Board and available on the website of the Company, the Board of Directors during the financial year ended March 31, 2017 the Board of Directors declared an Interim Dividends of Rs. 5.00/- per equity share (100%) of face value of Rs. 5.00/- each declared on February 10, 2017 and Rs. 5.00/- per equity share (100%) of face value of Rs. 5.00/- each declared on March 10, 2017 and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 200%, i.e., Rs. 10.00/- per equity share of face value of Rs. 5.00/- each for the financial year ended March 31, 2017. (Prev. Year of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs. 5.00/- each). The Payout ratio currently stands at 48.43%.

### TRANSFER TO RESERVES

During the financial year 2016 - 17, no amount has been transferred to the General Reserve.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- fi In the preparation of the Statement of Profit & Loss for the financial year ended March 31, 2017 and Balance Sheet at that date (“financial statements”), have been prepared as per Ind-AS as against I-GAAP Accounting Standards followed in the earlier years and proper explanation along with reconciliation have been provided in relation to material departures;
- fi Appropriate accounting policies have been selected and applied them consistently and made such judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- fi Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function;
- fi The financial statements have been prepared on a going concern basis.
- fi Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- fi Proper systems are in place to ensure compliance of all laws applicable to the Company;

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

#### Retirement by Rotation

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

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

Mr. Kalanithi Maran was re-appointed as Whole Time Director designated as "Executive Chairman" of the Company for a period of 5 (five) years with effect from April 20, 2017 to April 19, 2022 through Postal Ballot dated April 19, 2017 under Section 110 of the Companies Act, 2013.

Mr. K. Vijaykumar was re-appointed as Managing Director & Chief Executive Officer of the Company for a period of 5 (five) years with effect from April 20, 2017 to April 19, 2022 through Postal Ballot dated April 19, 2017 under Section 110 of the Companies Act, 2013.

Mrs. Kavery Kalanithi was re-appointed as Whole Time Director designated as "Executive Director" of the Company for a period of 5 (five) years with effect from April 20, 2017 to April 19, 2022 through Postal Ballot dated April 19, 2017 under Section 110 of the Companies Act, 2013.

#### Key Managerial Personnel

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

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

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

### BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of the Annual Report and the said report will also be available on the website of the Company.

### AUDITORS AND SECRETARIAL AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the approval accorded by the Members at the 29th Annual General Meeting (AGM) held on September 26, 2014, and ratified by the Member at the 31st AGM held on September 23, 2016, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W/E300004) retires as Statutory Auditors of the Company. Your Board places on record their appreciation for the services provided by M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, as Statutory Auditors of the Company for close to two decades.

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014, your Board had recommended to the Members appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company in place of retiring Statutory Auditors at the ensuing Annual General Meeting.

A proposal for appointment of M/s Deloitte Haskins & Sells, LLP, Chartered Accountants as Statutory Auditors of the Company until conclusion of 37th Annual General Meeting to be held in the year 2022, subject to ratification by Equity Shareholders every year, forms part of the Notice of ensuing Annual General Meeting.

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

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

### COST AUDIT

In pursuance of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 M/s. S. Sundar & Associates, Cost Accountants, was engaged to carry out Audit of Cost Records of the Company. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor forms part of the notice of ensuing Annual General Meeting.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

### SUBSIDIARY COMPANIES

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

### MATERIAL SUBSIDIARY COMPANY

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

### TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 (2) of the Companies Act, 2013, an amount of Rs. 0.02 Crores being unclaimed dividend pertaining to the financial year 2008-09, had been transferred during the current year to the Investor Education and Protection Fund established by the Central Government.

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### PUBLIC DEPOSITS

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

### PARTICULARS OF EMPLOYEES

Sun TV Network Limited had 1959 employees as of March 31, 2017 (previously 1906). In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the required information is provided in the Annual Report which forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all the Shareholders of the Company excluding the aforesaid information. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

### EXTRACT OF ANNUAL RETURN

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

### NUMBER OF MEETINGS OF THE BOARD

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

### INDEPENDENT DIRECTORS' DECLARATION

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

### POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

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

### TRANSACTIONS WITH RELATED PARTIES

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

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### INTERNAL CONTROL

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

### RISK MANAGEMENT

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

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

### PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY/JOINT VENTURE

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

### INDEPENDENT DIRECTORS' MEETING

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

### BOARD EVALUATION

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

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

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

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

#### (A) CONSERVATION OF ENERGY

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

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### (B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs in Crores)

| PARTICULARS               | March 31, 2017 | March 31, 2016 |
|---------------------------|----------------|----------------|
| Foreign Exchange Earnings | 158.25         | 144.18         |
| Foreign Exchange Outgo    | 370.30         | 49.94          |

### CONSOLIDATED FINANCIAL STATEMENTS

As required by Indian Accounting Standard – Ind AS 110 and Ind AS 27 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements of the Company are attached. The Audited Consolidated Financial Statements also account for the non-controlling interest of your Company's subsidiary.

### CEO/CFO CERTIFICATION

The Managing Director & Chief Executive Officer and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations, which forms part of the report.

### APPRECIATION AND ACKNOWLEDGEMENT

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

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

**On behalf of the Board**

**Place:** Chennai  
**Date:** August 11, 2017

**Kalanithi Maran**  
**Chairman**

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

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

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

The Corporate Social Responsibility Committee of the Board had approved a CSR policy with primary focus on health care, women empowerment, environmental sustainability, contributing to rural development projects and promotion of Arts and Culture. Besides these focus areas, the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on <http://www.suntv.in>

### 2. Composition of the CSR Committee

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

### 3. Average net profit of the company for the last three financial years - Rs.1,177.50 Crore

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

The Company is required to spend Rs. 23.55 Crore towards CSR.

### 5. Details of CSR spend during the financial year:

- Total amount to be spent for the financial year - Rs. 23.55 Crore
- Amount unspent, if any - Rs. 7.88 Crore
- Manner in which the amount spent during the financial year is detailed below :

(Rs. in Crores)

| S.No         | Projects/Activities                              | Sector                                           | Locations    | Amount Outlay (Budget) Project or Programs wise | Amount spent on the project or programs | Cumulative Expenditure upto the reporting periods | Amount spent : Direct or through implementing agency |
|--------------|--------------------------------------------------|--------------------------------------------------|--------------|-------------------------------------------------|-----------------------------------------|---------------------------------------------------|------------------------------------------------------|
| 1.           | Promoting Education and Medical aid for the poor | Promoting Education and Medical aid for the poor | Across India | -                                               | 8.42                                    | 8.42                                              | Through Trust - Sun Foundation                       |
| 2.           | Promotion of Arts and Culture                    | Promotion of Arts and Culture                    | Chennai      | -                                               | 7.25                                    | 7.25                                              | Direct                                               |
| <b>Total</b> |                                                  |                                                  |              |                                                 | <b>15.67</b>                            | <b>15.67</b>                                      |                                                      |

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

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

**K. Vijaykumar**  
Chairman of CSR Committee

**Nicholas Martin Paul**  
Director

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

*As on the financial year ended March 31, 2017*  
*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies*  
*(Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

| S.No | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|------|--------------------------------------------------|----------------------------------|------------------------------------|
| 1.   | Broadcasting Services                            | 92132                            | 94%                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| S.No | Name and address of the company                                                                            | CIN / GLN             | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|------|------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1.   | Kal Radio Limited<br>Murasoli Maran Towers,<br>73, MRC Nagar Main Road, MRC Nagar,<br>Chennai – 600028     | U92131TN2005PLC057755 | Subsidiary                     | 98.18 %          | 2(87)              |
| 2.   | South Asia FM Limited<br>Murasoli Maran Towers,<br>73, MRC Nagar Main Road, MRC Nagar,<br>Chennai – 600028 | U92131TN2005PLC057987 | Subsidiary                     | 59.44 %          | 2(87)              |

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

**IV. SHAREHOLDING PATTERN (Equity share capital breakup as a percentage of total equity)**

*1) Category-wise Share Holding:*

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

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

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

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

| Category of Shareholders               | No. of Shares held at the beginning of the year |          |             | No. of Shares held at the end of the year |             |          |             | % of Change during the Year |                   |
|----------------------------------------|-------------------------------------------------|----------|-------------|-------------------------------------------|-------------|----------|-------------|-----------------------------|-------------------|
|                                        | Demat                                           | Physical | Total       | % of Total Shares                         | Demat       | Physical | Total       |                             | % of Total Shares |
|                                        |                                                 |          |             |                                           |             |          |             |                             |                   |
| (A) Public Shareholding                |                                                 |          |             |                                           |             |          |             |                             |                   |
| (1) Institutions                       |                                                 |          |             |                                           |             |          |             |                             |                   |
| (a) Mutual Funds                       | 1,19,13,312                                     |          | 1,19,13,312 | 3.02                                      | 63,57,924   | -        | 63,57,924   | 1.61                        | (1.41)            |
| (b) Banks/FI                           | 33,503                                          |          | 33,503      | 0.01                                      | 59,082      | -        | 59,082      | 0.01                        | 0.00              |
| (c) Central Govt                       | -                                               |          | -           | -                                         | -           | -        | -           | -                           | -                 |
| (d) State Govt (s)                     | -                                               | -        | -           | -                                         | -           | -        | -           | -                           | -                 |
| (e) Venture Capital funds              | -                                               | -        | -           | -                                         | -           | -        | -           | -                           | -                 |
| (f) Insurance Companies                | -                                               | -        | -           | -                                         | -           | -        | -           | -                           | -                 |
| (g) FIIs                               | 6,57,76,065                                     | -        | 6,57,76,065 | 16.69                                     | 6,40,14,364 | -        | 6,40,14,364 | 16.25                       | 0.44              |
| (h) Foreign Venture Capital Funds      | -                                               | -        | -           | -                                         | -           | -        | -           | -                           | -                 |
| (i) Others Foreign Portfolio Investors | -                                               | -        | -           | -                                         | -           | -        | -           | -                           | -                 |
| Sub-Total (B)(1)                       | 7,77,22,880                                     | -        | 7,77,22,880 | 19.72                                     | 7,04,31,370 | -        | 7,04,31,370 | 17.87                       | 1.85              |

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

| Category of Shareholders                                                         | No. of Shares held at the beginning of the year |          |              | % of Total Shares | No. of Shares held at the end of the year |          |              | % of Total Shares | % of Change during the Year |
|----------------------------------------------------------------------------------|-------------------------------------------------|----------|--------------|-------------------|-------------------------------------------|----------|--------------|-------------------|-----------------------------|
|                                                                                  | Demat                                           | Physical | Total        |                   | Demat                                     | Physical | Total        |                   |                             |
| (2) a) Bodies Corporate                                                          |                                                 |          |              |                   |                                           |          |              |                   |                             |
| i. Indian                                                                        | 16,68,348                                       | -        | 16,68,348    | 0.42              | 63,36,258                                 | -        | 63,36,258    | 1.61              | 1.19                        |
| ii. Overseas                                                                     |                                                 |          |              |                   |                                           |          |              |                   |                             |
| (a) individuals                                                                  |                                                 |          |              |                   |                                           |          |              |                   |                             |
| i. Individual shareholders holding nominal share capital up to Rs. 1 lakh        | 30,09,503                                       | 507      | 30,10,010    | 0.77              | 34,51,955                                 | 726      | 34,52,681    | 0.88              | 0.11                        |
| ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1,57,19,782                                     | -        | 1,57,19,782  | 3.99              | 1,67,38,289                               | -        | 1,67,38,289  | 4.25              | 0.26                        |
| NRIs                                                                             | 2,60,456                                        | -        | 2,60,456     | 0.07              | 9,17,705                                  | -        | 9,17,705     | 0.23              | 0.16                        |
| Clearing Members                                                                 | 1,35,118                                        | -        | 1,35,118     | 0.03              | 6,28,405                                  | -        | 6,28,405     | 0.16              | 0.13                        |
| Trust                                                                            | 1,507                                           | -        | 1,507        | 0.00              | -                                         | -        | -            | -                 | -                           |
| NBFCs Registered with RBI                                                        | 3,062                                           | -        | 3,062        | 0.00              | 16,455                                    | -        | 16,455       | 0.00              | 0.00                        |
| Sub-Total (B)(2)                                                                 | 2,07,97,776                                     | 507      | 2,07,98,283  | 5.28              | 2,80,89,067                               | 726      | 2,80,89,793  | 7.13              | 1.85                        |
| Total Public Shareholding = (B) (1) + (B) (2)                                    |                                                 |          |              |                   |                                           |          |              |                   |                             |
| C. Shares held by custodian for GDRs & ADRs                                      | 9,85,20,656                                     | 507      | 9,85,21,163  | 25.00             | 9,85,20,437                               | 726      | 9,85,21,163  | 25.00             | NIL                         |
| Grand Total (A+B+C)                                                              | 39,40,84,113                                    | 507      | 39,40,84,620 | 100.00            | 39,40,83,894                              | 726      | 39,40,84,620 | 100.00            | NIL                         |

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

(ii) Shareholding of Promoters:

| S. No. | Shareholders' Name  | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % of Change during the Year |
|--------|---------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|-----------------------------|
|        |                     | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                             |
| 1      | Mr. Kalanithi Maran | 29,55,63,457                              | 75.00                            | 3.77                                             | 29,55,63,457                        | 75.00                            | 3.98                                             | NIL                         |
|        | <b>Total</b>        | <b>29,55,63,457</b>                       | <b>75.00</b>                     | <b>3.77</b>                                      | <b>29,55,63,457</b>                 | <b>75.00</b>                     | <b>3.98</b>                                      | <b>NIL</b>                  |

(iii) Change in Promoters' Shareholding:

There was no change in Promoters' Shareholding of the Company.

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

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

| S. No. | For Each of the Top 10 Shareholders                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|--------|-------------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
|        |                                                       | No. of Shares                             | % of total Shares of the company | No. of Shares                                  | % of total Shares of the company |
| 1.     | DVI Fund Mauritius Limited                            | 1,52,02,584                               | 3.86                             | -                                              | -                                |
| 2.     | Mrs. Selvam Selvi                                     | 69,84,844                                 | 1.77                             | 69,84,844                                      | 1.77                             |
| 3.     | Government Pension Fund Global                        | 64,41,952                                 | 1.63                             | 64,41,952                                      | 1.63                             |
| 4.     | East Bridge Capital Master Fund Limited               | 57,19,129                                 | 1.45                             | 57,19,129                                      | 1.45                             |
| 5.     | HDFC Trustee Company Limited-HDFC Equity Fund         | 44,46,000                                 | 1.13                             | -                                              | -                                |
| 6.     | Ashoka Pte Limited                                    | 34,91,930                                 | 0.89                             | -                                              | -                                |
| 7.     | CLSA Global Markets Pte. Limited.                     | 33,80,275                                 | 0.86                             | -                                              | -                                |
| 8.     | HDFC Trustee Company Limited - HDFC Top 200 Fund      | 26,48,000                                 | 0.67                             | -                                              | -                                |
| 9.     | Baron Emerging Markets Fund                           | 25,00,000                                 | 0.63                             | 32,50,000                                      | 0.82                             |
| 10.    | DB International (Asia) Limited                       | 19,51,072                                 | 0.50                             | 7,57,026                                       | 0.19                             |
| 11.    | Amansa Holdings Private Limited                       | -                                         | -                                | 45,73,541                                      | 1.16                             |
| 12.    | HSBC Global Investment Funds - Indian Equity          | -                                         | -                                | 33,47,753                                      | 0.85                             |
| 13.    | Doric Asia Pacific Small Cap (Mauritius) Limited      | -                                         | -                                | 24,70,000                                      | 0.63                             |
| 14.    | GMO Emerging Domestic Opportunities Fund, A Series of | -                                         | -                                | -                                              | -                                |
|        | GMO Trust                                             | -                                         | -                                | 19,93,257                                      | 0.51                             |
| 15.    | Bajaj Allianz Life Insurance Company Limited          | -                                         | -                                | 19,50,905                                      | 0.50                             |

Note:

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

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

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

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

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

**V. INDEBTEDNESS:**

There was no indebtedness in the form of Secured loans, Unsecured loans or Deposits during the financial year ended March 31, 2017.

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

(Rs. in Crores)

| S. No.                 | Particulars of Remuneration                                                     | Name of MD / WTD                                                                                                                                                 |                       |                   | Total Amount  |
|------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------|
|                        |                                                                                 | Mr. Kalanithi Maran                                                                                                                                              | Mrs. Kavery Kalanithi | Mr. K. Vijaykumar |               |
| 1                      | Gross salary                                                                    |                                                                                                                                                                  |                       |                   |               |
| (a)                    | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13.14                                                                                                                                                            | 13.14                 | 0.97              | 27.25         |
| (b)                    | Value of perquisites u/s 17(2) Income Tax Act, 1961*                            | -                                                                                                                                                                | -                     | -                 | -             |
| (c)                    | Profits in lieu of salary under section 17(3) Income Tax Act, 1961              | -                                                                                                                                                                | -                     | -                 | -             |
| 2                      | Stock Option                                                                    | -                                                                                                                                                                | -                     | -                 | -             |
| 3                      | Sweat Equity                                                                    | -                                                                                                                                                                | -                     | -                 | -             |
| 4                      | Ex-gratia / Bonus                                                               | 64.79                                                                                                                                                            | 64.79                 | 0.20              | 129.78        |
| 5                      | Others, please specify                                                          | -                                                                                                                                                                | -                     | -                 | -             |
| <b>Total (A)</b>       |                                                                                 | <b>77.93</b>                                                                                                                                                     | <b>77.93</b>          | <b>1.17</b>       | <b>157.03</b> |
| Ceiling as per the Act |                                                                                 | The remuneration paid to Managing Director and Whole-time Directors is well within ceiling limits as prescribed under the provisions of the Companies Act, 2013. |                       |                   | 157.03        |

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

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

**B. Remuneration to other Directors:**

(Rs. in Crores)

| S.No      | Name of Directors              | Sitting Fees   | Commission | Others | Total        |
|-----------|--------------------------------|----------------|------------|--------|--------------|
| <b>1.</b> | <b>Independent Directors</b>   |                |            |        |              |
|           | Mr. J. Ravindran               | 0.034          | -          | -      | 0.034        |
|           | Mr. M.K. Harinarayanan         | 0.038          | -          | -      | 0.038        |
|           | Mr. Nicholas Martin Paul       | 0.040          | -          | -      | 0.040        |
|           | Mr. R. Ravivenkatesh           | 0.032          | -          | -      | 0.032        |
|           | <b>Total (1)</b>               | <b>0.144</b>   | -          | -      | <b>0.144</b> |
| <b>2.</b> | <b>Non Executive Directors</b> |                |            |        |              |
|           | Mr. S. Selvam                  | 0.014          | -          | -      | 0.014        |
|           | <b>Total (2)</b>               | <b>0.014</b>   | -          | -      | <b>0.014</b> |
|           | <b>Grand Total</b>             | <b>0.158</b>   | -          | -      | <b>0.158</b> |
|           | Overall Ceiling as per the Act | Not Applicable |            |        |              |

**C. Remuneration to other Directors / Key Managerial Personnel other than MD/WT/D:**

(Rs. in Crores)

| S. No.       | Particulars of Remuneration                                                        | Key Managerial Personnel |                         | Total       |
|--------------|------------------------------------------------------------------------------------|--------------------------|-------------------------|-------------|
|              |                                                                                    | Company Secretary        | Chief Financial Officer |             |
| 1.           | Gross Salary                                                                       |                          |                         |             |
|              | (a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961 | 0.21                     | 0.85                    | 1.06        |
|              | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961*                           | -                        | -                       | -           |
|              | (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961                       | -                        | -                       | -           |
| 2            | Stock Option                                                                       | -                        | -                       | -           |
| 3            | Sweat Equity                                                                       | -                        | -                       | -           |
| 4            | Commission                                                                         |                          |                         |             |
|              | - as a % of profit                                                                 | -                        | -                       | -           |
| 5            | Others, please specify                                                             | -                        | -                       | -           |
| <b>Total</b> | <b>(A)</b>                                                                         | <b>0.21</b>              | <b>0.85</b>             | <b>1.06</b> |

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2017.

**ANNEXURE - III  
FORM AOC – 2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis –
  - a) Name(s) of the related party and nature of relationship – M/s. Sun Distribution Services Private Limited and M/s. Kal Media Services Private Limited. Enterprise in which the Directors or their relatives have significant influence.
  - b) Nature of transaction - Distribution of satellite television channels of our Company.
  - c) Duration of the transaction - Five years.
  - d) Salient terms of the transaction including the value, if any – M/s. Sun Distribution Services Private Limited and M/s. Kal Media Services Private Limited will have the non-exclusive right to sub-distribute M/s. Sun TV Network Limited's channels to the Authorised Affiliate for the purpose of retransmission of the channels to the Authorised Subscribers via Permitted Distribution Method only. The subscription rate per channels/Bouquet of Channels per subscriber shall be fixed by M/s. Sun TV Network Limited, in accordance with regulations prescribed by Telecom Regulatory Authority of India( TRAI) .
  - e) Date of approval by the Board, if any - May 27, 2016
  - f) Amount paid as advances, if any - NIL

**On behalf of the Board**

Place : Chennai  
Date : August 11, 2017

**Kalanithi Maran  
Chairman**

# **ANNEXURE - IV FORM AOC - 1**

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

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

## **Part "A": Subsidiaries (All amounts are in Crores of Indian Rupees)**

| S. No. | Particulars                                                                                                                 | Name of the Subsidiaries        |
|--------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------|
|        |                                                                                                                             | M/s. Kal Radio Limited          |
| 1.     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | April 1, 2016 to March 31, 2017 |
| 2.     | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                             |
| 3.     | Share Capital                                                                                                               | 151.17                          |
| 4.     | Reserves & Surplus                                                                                                          | 157.38                          |
| 5.     | Total Assets                                                                                                                | 333.26                          |
| 6.     | Total Liabilities                                                                                                           | 333.26                          |
| 7.     | Investments                                                                                                                 | -                               |
| 8.     | Turnover                                                                                                                    | 89.47                           |
| 9.     | Profit before taxation                                                                                                      | 32.26                           |
| 10.    | Provision for taxation                                                                                                      | 9.31                            |
| 11.    | Profit after taxation                                                                                                       | 22.95                           |
| 12.    | Proposed Dividend                                                                                                           | -                               |
| 13.    | % of Shareholding                                                                                                           | 98.18 %                         |

## **Part "B": Associates and Joint Ventures (All amounts are in Crores of Indian Rupees, unless otherwise stated)**

| S. No. | Particulars                                                                | Name of the Joint Venture       |
|--------|----------------------------------------------------------------------------|---------------------------------|
|        |                                                                            | M/s. South Asia FM Limited      |
| 1.     | Latest audited Balance Sheet date                                          | April 1, 2016 to March 31, 2017 |
| 2.     | Shares of Joint Venture held by the Company on the year end                |                                 |
|        | No.                                                                        | 22,69,92,000                    |
|        | Amount of Investment                                                       | 309.24                          |
|        | Extent of Holding %                                                        | 59.44%                          |
| 3.     | Description of how there is significant influence                          | Not Applicable                  |
| 4.     | Reason why the Joint Venture is not consolidated                           | Not Applicable                  |
| 5.     | Net worth attributable to Shareholding as per latest audited Balance Sheet | 685.80                          |
| 6.     | Profit/Loss for the year                                                   |                                 |
|        | i. Considered in Consolidation                                             | 28.75                           |
|        | i. Not Considered in Consolidation                                         | Not Applicable                  |

**ANNEXURE - V**

**FORM MR - 3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sun TV Network Limited for the financial year ended on March 31, 2017 made available to us, according to the provisions of the following laws as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder and the Companies Act, 1956 (to the extent applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings and Trade credits, current account transactions, import and export of goods and services;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits), 2014; (Not applicable for the Audit Period).

## ANNEXURE - V SECRETARIAL AUDIT REPORT

- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
- (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (Not applicable for the Audit Period).
- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (Not applicable for the Audit Period).
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (Not applicable for the Audit Period).
- (i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- (vi) We further report that, having regard to the compliance system prevailing in the Company on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following laws applicable specifically to the Company:
  - 1. Uplinking / downlinking policy/guidelines issued by Ministry of Information and Broadcasting;
  - 2. The Cable Television Network (Regulations) Act, 1995 and rules framed thereunder;
  - 3. Intellectual Property Rights related laws;
  - 4. Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013 issued by Telecom Regulatory Authority of India; and
  - 5. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.

We have also examined compliance with the Secretarial Standards notified by ICSI.

We further report that, on examination of the relevant documents and records, the Company has been regular in complying with the provisions of the Act, Rules, Regulations mentioned above.

We further report that, based on the information provided and the representations made by the Company, its officers, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like Labour laws wherever applicable.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors have taken place during the period under review except for the re-appointment of Managing Director, Chief Executive Officer and Whole-time directors as on the date of this report.

**ANNEXURE - V**  
**SECRETARIAL AUDIT REPORT**

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

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

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

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Lakshmmi Subramanian**  
**Senior Partner**

FCS No. 3534

C.P.NO. 1087

Place: Chennai

Date: August 11, 2017

**ANNEXURE - V  
SECRETARIAL AUDIT REPORT**

**ANNEXURE-A**

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

1. Our report is subject to the production and verification of the audited Financial Statements as on March 31, 2017.
2. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

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

Place: Chennai  
Date: August 11, 2017

## ANNEXURE - VI REMUNERATION POLICY

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

### Objective and purpose:

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

### Definitions:

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

**“Key Managerial Personnel”** means:

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

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

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

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. The Company should ensure that it appoints or continues the employment of any person as Managing Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013.
- iii. To ensure that Company shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ANNEXURE VI REMUNERATION POLICY

### TERM / TENURE

#### a) Managing Director/Whole-time Director:

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

#### b) Independent Director:

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

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

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

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

### EVALUATION

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

### REMOVAL

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

### RETIREMENT

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

### POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

## ANNEXURE VI REMUNERATION POLICY

### 2) Remuneration to Non- Executive / Independent Directors:

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

### 3) Remuneration to Key Managerial Personnel and Senior Management:

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

#### IMPLEMENTATION

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

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

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

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

### INDUSTRY

The Media and Entertainment (M&E) industry in India continued its all-round growth during the first half of the financial year ended March 31, 2017 aided by strong fundamentals and a steady rise in consumption. However, the spending on advertising was impacted in the wake of the demonetization of high value currency notes announced in November 2016. Towards the end of the financial year the broader economy has largely recovered although the industry had to grapple with yet another uncertainty, the fallouts of the migration to the GST regime. The nation has of course taken these developments in its stride. Analysts believe that Indian industry will benefit in the longer term as a result of these initiatives of the central government as these are steps in the right direction. The M&E industry will naturally be a beneficiary of a stronger fiscal framework as India modernizes its taxation systems.

During the year under review, the broadcasting industry saw greater penetration of digitalization. Growing access to rural audiences through digitization, coupled with content availability through increase in Free-to-Air (FTA) channels and deeper audience measurement will be a key catalyst to long-term growth. Sustained low inflation, falling fiscal deficit, low current account deficit, and a stable currency have created a positive environment for economic growth. This unified tax regime, coupled with the Central Government's thrust on areas, such as power, infrastructure, and affordable housing should help accelerate India's growth rate closer to 8% in the medium term.

The long- term forecast for the television segment remains robust due to strong economic fundamentals and rising domestic consumption coupled with the completion of digitisation. The launch of high speed data services by telecom operators and increasing propensity of users to consume content 'on the go' bode well for the growth of 'Over-the-top' content (OTT) in the near term. OTT Video has emerged as an important media consumption platform in the last 2 years and stakeholders across the TV value chain have looked to establish their presence on this growing medium.

The radio segment is growing faster than other mediums such as television and print. The key to radio's growth has been a combination of localized reach and affordable pricing which is likely to be further enhanced with the launch of new stations in the frequencies allotted in the second batch of Phase III auctions. Sectors like real estate, education, healthcare, banking, financial services, insurance, retailing continue to focus on radio advertising. Over the last few years, radio has become an integral part of most media plans. The financial year 2017-18 will also see radio stations pumping in a lot of money in the newer markets to establish brand saliency. While the radio stations fight it out for consumer mind space in the newly acquired cities it gives birth to newer programming formats, innovative media campaigns, specially curated events resulting in more variety for the end listeners and better value for the advertisers.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

### OPPORTUNITIES AND THREATS

#### Opportunities:

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

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

#### Threats:

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

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

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

### SEGMENT

Sun Network operations predominantly relate to a single segment “Broadcasting”.

### OUTLOOK

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

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

### FINANCE AND HUMAN RESOURCE

#### Finance:

The Total Income for the year ended March 31, 2017 was Rs. 2,703.80 crores as against Rs. 2,502.75 crores during the previous year ended March 31, 2016. Profit Before Tax was Rs. 1,490.35 crores as against Rs. 1,334.24 crores in the previous year. Profit After Tax was Rs. 979.41 crores as against Rs. 869.69 crores in the previous year. During the financial year ended March 31, 2017, the Board of Directors declared the Interim Dividends of Rs. 5.00/- per equity share (100%) each at the Board Meetings held on February 10, 2017 and March 10, 2017 respectively and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 200%, i.e., Rs. 10.00/- per equity share of face value of Rs. 5.00/- each for the financial year ended March 31, 2017. (Prev. Year of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs. 5.00/- each). The Reserve and surplus of the Company as on March 31, 2017 stood at Rs. 3,824.71 crores as against Rs. 3,320.59 crores as on March 31, 2016.

#### Human Resources:

At Sun Network, with 1959 employees, human resource is a key asset capital and an important business driver for the Company's sustained growth and profitability. Hence, we at Sun Network believe that training, like all organizational development processes cannot be a function of time, but rather an ongoing process with the developmental needs and business planning processes being formalized constantly. A continuous review of the monitoring process is underway and procedures and systems are being institutionalized across the organization.

### FINANCIAL REVIEW & RISK MANAGEMENT (INCLUDING INTERNAL CONTROL)

Separate report on this is annexed.

**On behalf of the Board**

**Place:** Chennai  
**Date:** August 11, 2017

**K. Vijaykumar**  
**Managing Director &**  
**Chief Executive Officer**

**FINANCIAL REVIEW 2016-17**  
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

## **1. EARNINGS**

### **Total Income**

The Total Income for the year ended March 31, 2017 was up by 8.03% at Rs. 2,703.80 crores as against Rs. 2,502.75 crores during the previous year ended March 31, 2016. 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), Profit after tax (PAT) and Total comprehensive income**

Profit Before Tax after exceptional items was up by 11.70 % at Rs. 1,490.35 crores as against Rs. 1,334.24 crores in the previous year. Profit After Tax was up by 12.62 % at Rs. 979.41 crores as against Rs. 869.69 crores in the previous year. Total Comprehensive income was up by 12.50 % at Rs. 978.43 crores as against Rs. 869.76 crores in the previous year.

### **Dividend**

The outgo on account of interim dividend including dividend tax is Rs.474.31 crores (previous year Rs.735.18 crores).

## **2. FINANCIAL POSITION**

### **Shareholder's Funds**

Shareholders' Funds as on March 31, 2017 was Rs. 4,021.75 crores (previous year Rs. 3,517.63 crores).

### **Loan funds**

The Company is debt free and had no loan funds - secured or unsecured as on March 31, 2017 (previous year Rs. Nil).

### **Assets**

Net block of property, plant & equipment were at Rs. 763.01 crores and Investment property were at Rs. 12.71 crores. The addition to property, plant & equipment for the year was Rs. 385.54 crores and Investment property Rs. 0.60 crores. The capital expenditure was funded through internal accruals. Net block of intangible assets and capital work in progress (including capital advances and intangible assets under development) as on March 31, 2017 were at Rs. 326.33 crores and Rs. 1.49 crores respectively.

## **3. RATIOS**

### **Earnings per share**

The Earnings per share of face value of Rs. 5.00 for the year ended March 31, 2017 is Rs. 24.85 (previous year Rs. 22.07).

## **RISK ANALYSIS AND MANAGEMENT**

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

## **PRINCIPAL RISKS AND THEIR MITIGATION**

### **STRATEGIC RISK**

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

## **FINANCIAL REVIEW 2016-17** (Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

The media industry in India has been continuously fraught with regulatory issues including those of license, investment caps and ownership limits. Although Sun Network has performed well in spite of these adversities, further regulatory changes always remain a concern.

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

### **Risk Mitigation**

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

### **OPERATIONAL RISK**

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

### **Risk Mitigation**

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

### **FINANCIAL RISK**

#### **Treasury Investments Risk**

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

### **Risk Mitigation**

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

#### **Leverage Risk**

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

**FINANCIAL REVIEW 2016-17**  
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**Risk Mitigation**

The company is a zero debt company.

**Receivable Risk**

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

**Risk Mitigation**

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

**LEGAL AND STATUTORY RISKS**

**Risk on contractual liabilities**

The risk arising out of contracts that impose onerous responsibilities.

**Risk Mitigation**

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

**Compliance failure risk**

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

**Risk mitigation**

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

**5. INTERNAL CONTROL**

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

**Risk mitigation**

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

**Cautionary Statement**

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

**On behalf of the Board**

**Place:** Chennai  
**Date:** August 11, 2017

**K. Vijaykumar**  
**Managing Director & Chief Executive Officer**

## REPORT ON CORPORATE GOVERNANCE

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

### MANDATORY REQUIREMENTS

#### 1. Company's Philosophy on Code of Governance

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

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

#### 2. Board of Directors

##### • Composition

The Board of Directors of our Company consists of Five Non-Executive and Three Executive Directors. The Chairman of the Board is an Executive Director and Four Non-Executive Directors are Independent Directors as per the criteria of independence stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations hereinafter referred to as "Listing Regulations". The optimum combination of Executive, Non-executive and Independent Directors ensure independence of the Board and separation of Board function of governance and management.

##### • Board Meetings

Seven Board Meetings were held during the financial year 2016-17. The maximum gap between any two meetings did not exceed one hundred and twenty days as stipulated under Regulation 17(2) of the Listing Regulations.

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

27th May 2016, 8th July 2016, 19th August 2016, 11th November 2016, 10th February 2017, 24th February 2017 and 10th March 2017.

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

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

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

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

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

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

- **Familiarisation Programme For Independent Directors**

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

- **Performance Evaluation**

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

## **POLICIES**

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

- **Code of Conduct**

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

## REPORT ON CORPORATE GOVERNANCE

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

- **Prevention of Insider Trading**

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

- **Secretarial Standards:**

The Secretarial and the operating practices generally followed by our Company are in line with the Standards on Secretarial practice relating to meetings of the Board, Committees and General meetings (SS - 1) and (SS - 2) stipulated by The Institute of Company Secretaries of India.

- **Vigil Mechanism / Whistle Blower Policy**

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

- **Related Party Transaction Policy**

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

### 3. **Audit Committee**

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

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

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

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

Four meetings of the Audit Committee were held during the year 27th May 2016, 19th August 2016, 11th November 2016 and 10th February 2017.

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

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

- **Brief description of terms of reference**

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

#### **4. Nomination and Remuneration Committee**

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

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

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

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

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

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

This Committee comprises of entirely of Independent Directors. The Committee met on 27th May 2016 and 24th February 2017.

| <b>Name of the Director</b> | <b>Category</b> | <b>No. of Meetings attended</b> |
|-----------------------------|-----------------|---------------------------------|
| Mr. J. Ravindran            | Chairman        | 2                               |
| Mr. M.K. Harinarayanan      | Member          | 2                               |
| Mr. Nicholas Martin Paul    | Member          | 2                               |
| Mr. R. Ravivenkatesh        | Member          | 2                               |

- **Brief description of terms of reference**

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

- **Remuneration Policy**

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

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

• **Remuneration to Directors**

The Remuneration paid to the Executive Chairman for the year ended March 31, 2017 is as follows:

(Rs. in Crores)

|                                   |       |
|-----------------------------------|-------|
| Salary                            | 13.14 |
| Perquisites and other allowances* | -     |
| Ex - gratia / Bonus               | 64.79 |
| Total                             | 77.93 |

\*Perquisites amounted to Rs. 39,600/-

The Remuneration paid/payable to the Managing Director and Chief Executive Officer for the year ended March 31, 2017 is as follows:

(Rs. in Crores)

|                                   |      |
|-----------------------------------|------|
| Salary                            | 0.97 |
| Perquisites and other allowances* | -    |
| Ex - gratia / Bonus               | 0.20 |
| Total                             | 1.17 |

\*Perquisites amounted to Rs. 10,800/-

The Remuneration paid/payable to the Executive Director for the year ended March 31, 2017 is as follows:

(Rs. in Crores)

|                                   |       |
|-----------------------------------|-------|
| Salary                            | 13.14 |
| Perquisites and other allowances* | -     |
| Ex - gratia / Bonus               | 64.79 |
| Total                             | 77.93 |

\*Perquisites amounted to Rs. 39,600/-

The Remuneration paid / payable to Non-Executive Directors for the year ended March 31, 2017 is as follows:

(Rs. in Crores)

| Name of the Director     | Sitting fees* |
|--------------------------|---------------|
| Mr. S. Selvam            | 0.014         |
| Mr. J. Ravindran         | 0.034         |
| Mr. M.K. Harinarayanan   | 0.038         |
| Mr. Nicholas Martin Paul | 0.040         |
| Mr. R. Ravivenkatesh     | 0.032         |

\*Includes sitting fees paid for attending Committee Meetings.

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

#### 5. Stakeholders' Relationship Committee

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

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

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

The Committee met 4 occasions during the year on 27th May 2016, 19th August 2016, 11th November 2016 and 10th February 2017. The names and attendance of Committee members are given below:

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

During the year, the Company received 98 Complaints mostly pertaining to non-receipt of dividend warrants and few complaints like non-receipt of annual reports etc., all of these complaints have been dealt with satisfactorily and there were no complaints pending as on March 31, 2017

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

**6. Corporate Social Responsibility Committee**

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

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

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

The Committee met on 10th March 2017. The names and attendance of Committee members are given below:

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

**7. Risk Management Committee**

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

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

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

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

The Committee met on 10th March 2017. The names and attendance of Committee members are given below:

| Name of the Director     | No. of Meetings attended |
|--------------------------|--------------------------|
| Mr. M.K. Harinarayanan   | 1                        |
| Mr. J. Ravindran         | 0                        |
| Mr. Nicholas Martin Paul | 1                        |
| Mr. R. Ravivenkatesh     | 0                        |

**8. Independent Directors' Meeting**

During the year, meeting of Independent Directors was held on 24th February, 2017 inter alia, to discuss:

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

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

## 9. General Meetings

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

| Year      | Meeting | Location                                                                                       | Date       | Time     |
|-----------|---------|------------------------------------------------------------------------------------------------|------------|----------|
| 2015 - 16 | AGM     | "Kalaighnar Arangam",<br>Anna Arivalayam, 367/369, Anna Salai,<br>Teynampet, Chennai – 600 018 | 23.09.2016 | 10.00 am |
| 2014 - 15 | AGM     | "Kalaighnar Arangam",<br>Anna Arivalayam, 367/369, Anna Salai,<br>Teynampet, Chennai – 600 018 | 25.09.2015 | 10.00 am |
| 2013 - 14 | AGM     | "Kalaighnar Arangam",<br>Anna Arivalayam, 367/369, Anna Salai,<br>Teynampet, Chennai – 600 018 | 26.09.2014 | 10.00 am |

### Special Resolution passed in the previous Three Annual General Meetings

NIL

## 10. Subsidiary Companies

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

## 11. Disclosures

- There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- There has been no non-compliance by the Company or penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The company has complied with all mandatory requirements. Adoptions of non-mandatory requirements are provided under item no.15 of this report.

## 12. Means of Communication

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

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

**13. Management Discussions and Analysis Report**

Management Discussion and Analysis report is annexed.

**14. Shareholders Information**

The details are enclosed elsewhere in the report.

**15. Non Mandatory Requirements**

**1. The Board – Chairman's Office**

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

**2. Shareholders Rights**

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

**3. Audit Qualification**

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

**GENERAL SHAREHOLDERS INFORMATION**

• **Registered Office of the Company**

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

• **Forthcoming Annual General Meeting**

September 22, 2017, 10 A.M  
"Kalaigarn Arangam", Anna Arivalayam  
367/369, Anna Salai, Teynampet, Chennai – 600 018

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

- **Financial Year**

April 1, 2016 to March 31, 2017.

- **Book Closure Dates**

From September 15, 2017 to September 22, 2017 (both days inclusive)

- **Dividend**

During the financial year ended March 31, 2017 the Board of Directors declared the Interim Dividends of Rs. 5.00/- per equity share (100%) of face value of Rs. 5.00/- each declared on February 10, 2017 and Rs. 5.00/- per equity share (100%) of face value of Rs. 5.00/- each declared on March 10, 2017 and have not recommended any Final Dividend. The dividend payout would result in a total dividend of 200%, i.e., Rs. 10.00/- per equity share of face value of Rs. 5.00/- each for the financial year ended March 31, 2017. (Prev. Year of 310%, i.e., Rs. 15.50/- per equity share of face value of Rs. 5.00/- each). The Payout ratio currently stands at 48.43%.

- **Unclaimed Dividend**

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

**Instruction to Shareholders**

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

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

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

- **Depositories Connectivity**

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

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

- **Share Transfer Process**

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

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

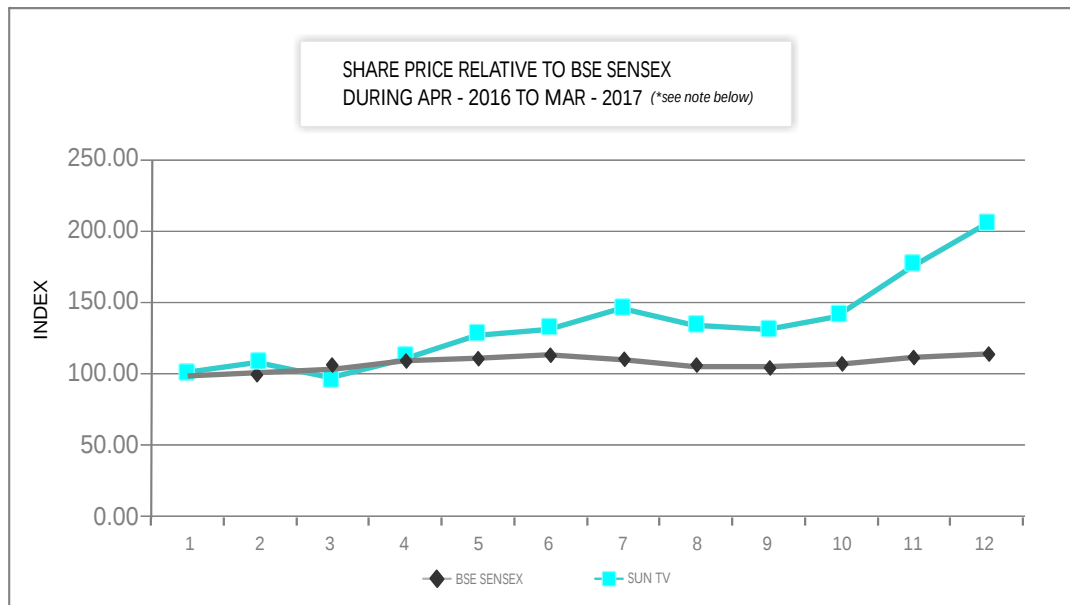
- **Market Price Data**

|              | <b>B.S.E</b> |            |                                      | <b>N.S.E</b> |            |                                      |
|--------------|--------------|------------|--------------------------------------|--------------|------------|--------------------------------------|
| <b>Month</b> | <b>High</b>  | <b>Low</b> | <b>Traded Volume (No. of shares)</b> | <b>High</b>  | <b>Low</b> | <b>Traded Volume (No. of shares)</b> |
| Apr-16       | 385.00       | 350.40     | 7,06,124                             | 381.85       | 349.30     | 75,68,597                            |
| May-16       | 438.00       | 349.95     | 35,05,868                            | 436.80       | 350.00     | 3,86,63,621                          |
| Jun-16       | 385.45       | 334.00     | 17,78,583                            | 385.95       | 335.10     | 2,02,53,442                          |
| Jul-16       | 452.50       | 364.20     | 23,79,135                            | 452.70       | 364.00     | 3,57,24,406                          |
| Aug-16       | 491.05       | 442.40     | 28,11,341                            | 490.90       | 442.70     | 4,10,27,183                          |
| Sep-16       | 518.95       | 448.40     | 24,27,139                            | 518.80       | 446.30     | 3,04,27,258                          |
| Oct-16       | 566.50       | 503.40     | 24,31,018                            | 566.95       | 501.30     | 3,02,48,555                          |
| Nov-16       | 551.65       | 436.10     | 19,65,464                            | 552.05       | 436.35     | 2,69,51,425                          |
| Dec-16       | 526.00       | 435.00     | 60,87,865                            | 525.80       | 434.15     | 7,15,95,067                          |
| Jan-17       | 544.90       | 491.00     | 23,53,036                            | 545.65       | 490.00     | 2,97,36,899                          |
| Feb-17       | 773.40       | 526.00     | 77,20,224                            | 774.00       | 525.85     | 8,57,66,263                          |
| Mar-17       | 800.00       | 702.10     | 33,02,524                            | 797.85       | 702.00     | 2,61,63,383                          |

## REPORT ON CORPORATE GOVERNANCE

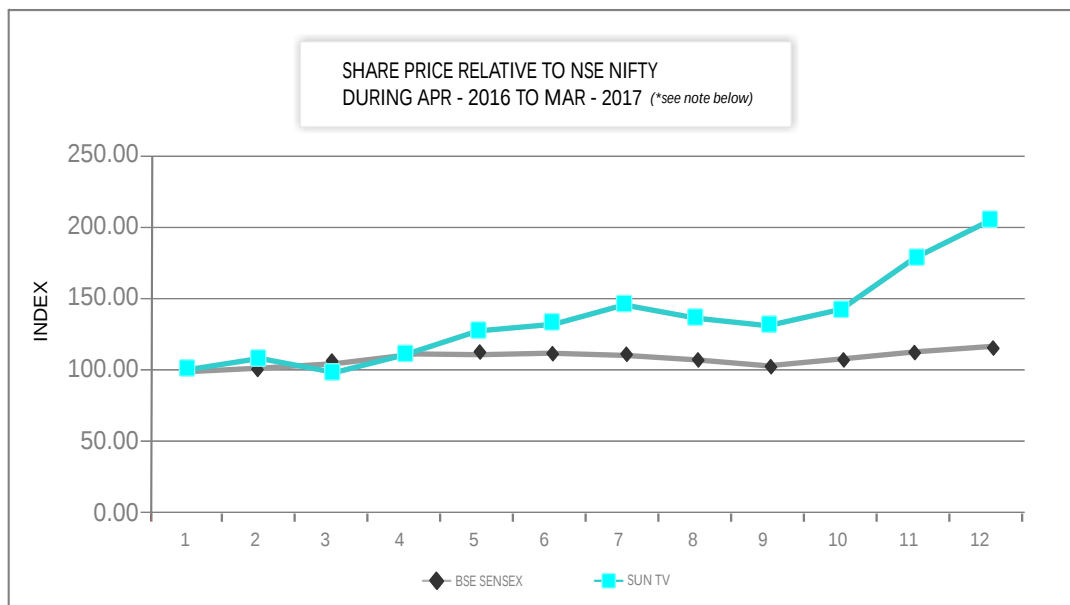
(Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015)

### • Performance in comparison with BSE SENSEX



\* The closing value for April is taken as 100. The values for the months, from April' 16 to Mar' 17, are worked out as a percentage, keeping the Base Value for Apr' 16 as 100.

### • Performance in comparison with NSE NIFTY



\* The closing value for April is taken as 100. The values for the months, from April' 16 to Mar' 17, are worked out as a percentage, keeping the Base Value for Apr' 16 as 100.

## REPORT ON CORPORATE GOVERNANCE

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

### Shareholding pattern/ Distribution

#### ♦ Shareholding pattern as on 31st March 2017

| Category                         | % to total Capital |
|----------------------------------|--------------------|
| Promoter Group                   | 75.00              |
| Financial Institutions / Bank    | 0.01               |
| Non Residents (NRI / OCB / FIIs) | 0.23               |
| Mutual Funds                     | 1.61               |
| Others                           | 23.15              |
| <b>Total</b>                     | <b>100.00</b>      |

#### ♦ Distribution of Shareholding as on 31st March 2017

| Category     | No. of Holders | % to total    | No. of Shares         | % to total    |
|--------------|----------------|---------------|-----------------------|---------------|
| 1-10,000     | 28,666         | 99.14         | 2,45,12,435           | 1.24          |
| Above 10,000 | 250            | 0.86          | 1,94,59,10,665        | 98.76         |
| <b>Total</b> | <b>28,916</b>  | <b>100.00</b> | <b>1,97,04,23,100</b> | <b>100.00</b> |

#### ♦ Summary of Shareholding as on 31st March 2017

| Category     | No. of Holders | Total Shares        | % to Equity   |
|--------------|----------------|---------------------|---------------|
| Physical     | 205            | 726                 | 0.00          |
| NSDL         | 20,993         | 39,22,33,800        | 99.53         |
| CDSL         | 7,718          | 18,50,094           | 0.47          |
| <b>Total</b> | <b>28,916</b>  | <b>39,40,84,620</b> | <b>100.00</b> |

#### ♦ Dematerialization of Shares

1. The Company has signed agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form.
2. A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
3. As on 31st March 2017, 39,22,33,800 equity shares constituting 99.53% of the total paid up capital of the company have been dematerialized. All the equity shares except The locked in shares if any are freely tradable.

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

♦ **Outstanding GDRs / ADRs etc.**

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

♦ **Address for correspondence**

♦ **Compliance Officer**

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

♦ **Registrars and Share Transfer Agent**

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

**On behalf of the Board**

**Place:** Chennai  
**Date:** August 11, 2017

**K. Vijaykumar**  
**Managing Director &**  
**Chief Executive Officer**

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

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Members of Sun TV Network Limited**

1. The accompanying Corporate Governance Report prepared by Sun TV Network Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

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

- iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;
- iv. Obtained and read the minutes of the following meetings held from April 1, 2016 to March 31, 2017:
  - (a) Board of Directors;
  - (b) Audit committee;
  - (c) Nomination and remuneration committee;
  - (d) Stakeholders Relationship Committee; and
  - (e) Risk management committee.
- v. Obtained necessary representations and declarations from directors of the Company including the Independent Directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

**Other matters and Restriction on Use**

- 9. This report 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.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

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

Chennai  
August 11, 2017

## CEO/CFO CERTIFICATION

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

### The Board of Directors Sun TV Network Limited

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

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and to the best of knowledge and belief :
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (IND-AS), applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - a. That there are no significant changes in internal control over financial reporting during the year;
  - b. That there are no significant changes in accounting policies during the year;
  - c. That there are no instances of significant fraud of which we have become aware.

**K. Vijaykumar**  
Managing Director &  
Chief Executive Officer

**V.C. Unnikrishnan**  
Chief Financial Officer

**Place :** Chennai

**Date :** May 26, 2017

### 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 2017, as envisaged in Regulation 17 of the Listing Regulations with Stock Exchanges.

**On behalf of the Board**

**Place:** Chennai  
**Date:** May 26, 2017

**K. Vijaykumar**  
Managing Director &  
Chief Executive Officer

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L22110TN1985PLC012491
2. Name of the Company : Sun TV Network Limited
3. Registered Address : Murasoli Maran Towers  
73, MRC Nagar Main Road  
MRC Nagar, Chennai - 600028.
4. Website : www.suntv.in
5. Email id : brr@sunnetwork.in
6. Financial Year reported : April 1, 2016 - March 31, 2017
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

The Company is mainly engaged in the business of Broadcasting of General Entertainment, News Television Channels and FM Radio Channels falling into "Television Programming & Broadcasting Services" - NIC Code (2004) - 92132.

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

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

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

9. Total number of locations where business activity is undertaken by the Company:
  - i. Number of International locations: Nil
  - ii. Indian operations of the Company are carried out through over ten offices located in major commercial hubs of the Country including Chennai, Hyderabad, Bengaluru, Kochi, New Delhi, Tirunelveli, Coimbatore, Mumbai, Gurgaon and Tiruchirappalli.
10. Markets served by the Company – Local/State/National/International:
 

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

### Section B: Financial Details of the Company

1. Paid up Capital (INR) : Rs. 197.04 crores
2. Total turnover (INR) : Rs. 2,558.25 crores
3. Total Profit after taxes (INR) : Rs. 979.41 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
 

The Company's total spending on CSR is 1.6 % of its current profit after taxes by way of Donations.
5. List of activities in which expenditure in note - 4 above has been incurred:
 

The major area in which the above expenditure has been incurred is towards education, medical aid to the poor and towards promotion of arts and culture.

## BUSINESS RESPONSIBILITY REPORT

### Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

As at March 31, 2017, the Company has two direct subsidiaries namely M/s. Kal Radio Limited and M/s. South Asia FM Limited (SAFM). SAFM is a subsidiary which has been classified as Joint Venture (JV) as per Ind-AS in financial statements of the Company and accounted as per applicable Ind-AS accounting standard framework.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the parent company are not applicable to the subsidiary companies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiative of the Company? No.

### Section D: BR Information

1. Details of Director/Directors responsible for BR:

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

As part of the day-to-day functions and operations, the Company ensures that the Business Responsibility and / or related policies including that of CSR are continuously implemented across the different management level and also periodically reviewed for changes.

- b) Details of the BR head:

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

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## BUSINESS RESPONSIBILITY REPORT

### 2. a) Principle-wise (as per NVGs) BR Policy/policies

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

## BUSINESS RESPONSIBILITY REPORT

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

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

### 3. Governance related to BR:

- i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.

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

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

The BR report is/shall be available at [www.suntv.in](http://www.suntv.in).

## BUSINESS RESPONSIBILITY REPORT

### Section E: Principle-wise Performance

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

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

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

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

98 investor complaints were received during the FY 2016 – 17 all were resolved and no complaint is pending as on date.

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

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

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

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

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

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

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

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

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

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste.

Not applicable.

## BUSINESS RESPONSIBILITY REPORT

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

1. Please indicate the total number of employees: 1959
2. Please indicate the total number of employees hired on contractual basis: 47
3. Please indicate the number of permanent women employees: 222
4. Please indicate the number of permanent employees with disabilities: NIL
5. Do you have employee association that is recognized by management? No
6. What percentage of your permanent employees are members of this recognized employee associations? NotApplicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending as on the end of the financial year: NIL
8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?

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

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

1. Has the Company mapped its internal and external stakeholders?  
  
Yes. The Company has mapped its internal and external stakeholders and the main categories of the same are as follows: (i) Viewers / Subscribers (ii) Investors, (iii) Banks, (iv) Content Producers, (v) Vendors, (vi) Service Providers (vii) The Ministry of Information & Broadcasting, (viii) The Department of Telecommunication, (ix) Telecom Regulatory Authority of India, (x) Ministry of Corporate Affairs, (xi) Reserve Bank of India, (xii) Foreign Investment Promotion Board, (xiii) Stock Exchanges and (xiv) Depositories.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

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

### Principle 5: Businesses should respect and promote human rights

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

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

## BUSINESS RESPONSIBILITY REPORT

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

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

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

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

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

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? No

3. Does the company identify and assess potential environmental risks? No

4. Does the Company have any project related to Clean Development Mechanism?  
No. The Company is engaged in broadcasting activity.

5. Has Company has undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc?

Not applicable. The Company is engaged in broadcasting activity.

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

Not applicable. The Company is engaged in broadcasting activity.

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

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

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

The Company is a member of

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

## BUSINESS RESPONSIBILITY REPORT

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

The programmes are undertaken through own foundation.

3. Have you done any impact assessment of your initiative? No

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

The Company has donated Rs. 15.67 Crores as mentioned below to carry out various welfare activities.  
(Rs. in Crores)

| Project                                          | Activity                                         | Amount |
|--------------------------------------------------|--------------------------------------------------|--------|
| Promoting Education and Medical aid for the poor | Promoting Education and Medical aid for the poor | 8.42   |
| Promotion of Arts and Culture                    | Promotion of Arts and Culture                    | 7.25   |

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

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

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

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year? None

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

The Company has subscribed to BARC (Broadcast Audience Research Council). BARC provides periodical television popularity and viewership reports which the Senior Management reviews and acts upon.

For queries related to

Business Responsibility Report:

**K. Vijaykumar**

**Managing Director &**

**Chief Executive Officer**

Tel: 91 44 44676767

E-mail: brr@sunnetwork.in

Compliance:

**R. Ravi**

**Company Secretary &**

**Compliance Officer**

Tel.: 91 44 44676767

E-mail: ravi@sunnetwork.in

## INDEPENDENT AUDITORS' REPORT

### **To the Members of Sun TV Network Limited**

#### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of Sun TV Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

## INDEPENDENT AUDITORS' REPORT

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 33 (b) to the Standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

## INDEPENDENT AUDITORS' REPORT

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 44 to these Standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Chennai

Date: May 26, 2017

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## Annexure to Auditors' Report

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

**Re: Sun TV Network Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, read with Note 40 to the financial statements, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon..
- (iv) In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company. The Company did not have any loans to directors including entities in which they are interested in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause (v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax, customs duty, cess, employees' state insurance and other material statutory dues applicable to it. The provisions relating to sales-tax, excise duty and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

### Annexure to Auditors' Report (Continued)

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

| Name of the statute  | Nature of dues               | Amount<br>(Rs. in crores) | Period to which<br>the amount relates        | Forum where<br>dispute is pending                        |
|----------------------|------------------------------|---------------------------|----------------------------------------------|----------------------------------------------------------|
| Income tax Act, 1961 | Income Tax                   | 266.12                    | FY 2003 – 04 to<br>FY 2010 – 11              | High Court of Madras                                     |
| Income tax Act, 1961 | Income Tax                   | 114.97                    | FY 2006 – 07 to FY<br>2008 - 09 & FY 2012-13 | Commissioner of<br>Income Tax (Appeals)                  |
| Finance Act, 1994    | Service Tax                  | 4.61                      | May 2008 - March 2015                        | Customs, Excise and<br>Service Tax Appellate<br>Tribunal |
| Customs Act, 1962    | Differential<br>Customs Duty | 3.45                      | FY 2007 – 08                                 | Customs, Excise and<br>Service Tax Appellate<br>Tribunal |

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

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding debentures during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause (xiv) are not applicable to the company and, not commented upon.

### Annexure to Auditors' Report (Continued)

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place: Chennai

Date: May 26, 2017

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

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

We have audited the internal financial controls over financial reporting of Sun TV Network Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally

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

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**

### **per Aniruddh Sankaran**

Partner

Membership No.: 211107

Place: Chennai

Date: May 26, 2017

**Standalone Balance Sheet as at March 31, 2017***(All amounts are in crores of Indian Rupees)*

| Particulars                                        | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|----------------------------------------------------|-------|----------------------|----------------------|---------------------|
| <b>ASSETS</b>                                      |       |                      |                      |                     |
| <b>Non-Current Assets</b>                          |       |                      |                      |                     |
| Property, Plant and Equipment                      | 3     | 763.01               | 433.71               | 711.58              |
| Capital Work-in-Progress                           |       | 1.49                 | 0.57                 | 0.49                |
| Investment Properties                              | 4     | 12.71                | 13.03                | 13.69               |
| Intangible assets                                  | 5     | 326.33               | 386.17               | 359.65              |
| Investment in subsidiary & joint venture           | 6     | 713.55               | 620.20               | 462.40              |
| Financial Assets                                   |       |                      |                      |                     |
| Investments                                        | 6     | 194.92               | -                    | -                   |
| Other Financial Assets                             | 6     | 42.04                | 7.70                 | 7.81                |
| Non Current tax assets (net)                       |       | 66.94                | 56.59                | 68.05               |
| Other non current assets                           | 7     | 79.54                | 120.14               | 233.41              |
|                                                    |       | <b>2,200.53</b>      | <b>1,638.11</b>      | <b>1,857.08</b>     |
| <b>Current Assets</b>                              |       |                      |                      |                     |
| Inventories                                        | 8     | 0.89                 | 1.13                 | 0.48                |
| Financial Assets                                   |       |                      |                      |                     |
| Investments                                        | 9     | 545.48               | 230.59               | 244.92              |
| Trade receivables                                  | 10    | 723.78               | 732.91               | 673.28              |
| Cash and Cash Equivalents                          | 11.1  | 655.16               | 552.93               | 393.21              |
| Bank Balances other than cash and cash equivalents | 11.2  | 83.28                | 234.86               | 297.31              |
| Other Financial Assets                             | 9     | 95.58                | 348.60               | 102.63              |
| Other current assets                               | 7     | 45.13                | 43.24                | 41.64               |
|                                                    |       | <b>2,149.30</b>      | <b>2,144.26</b>      | <b>1,753.47</b>     |
| <b>Total Assets</b>                                |       | <b>4,349.83</b>      | <b>3,782.37</b>      | <b>3,610.55</b>     |
| <b>EQUITY AND LIABILITIES</b>                      |       |                      |                      |                     |
| <b>Equity</b>                                      |       |                      |                      |                     |
| Equity Share Capital                               | 12.1  | 197.04               | 197.04               | 197.04              |
| Other Equity                                       | 12.2  | 3,824.71             | 3,320.59             | 3,186.01            |
| <b>Total Equity</b>                                |       | <b>4,021.75</b>      | <b>3,517.63</b>      | <b>3,383.05</b>     |
| <b>Non-Current Liabilities</b>                     |       |                      |                      |                     |
| Financial Liabilities                              |       |                      |                      |                     |
| Other financial liabilities                        | 13    | 7.50                 | 6.32                 | 3.81                |
| Government Grants                                  | 17    | 6.26                 | 7.44                 | 8.91                |
| Deferred Tax Liabilities (Net)                     | 14    | 55.55                | 21.93                | 23.83               |
|                                                    |       | <b>69.31</b>         | <b>35.69</b>         | <b>36.55</b>        |

**Standalone Balance Sheet as at March 31, 2017**  
(All amounts are in crores of Indian Rupees)

| Particulars                         | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|-------------------------------------|-------|----------------------|----------------------|---------------------|
| <b>Current Liabilities</b>          |       |                      |                      |                     |
| Financial Liabilities               |       |                      |                      |                     |
| Trade Payables                      | 15    | 49.70                | 38.26                | 37.46               |
| Other current financial liabilities | 16    | 154.37               | 138.66               | 109.87              |
| Government Grants                   | 17    | 1.18                 | 1.47                 | 1.86                |
| Provisions                          | 18    | 19.49                | 13.91                | 6.77                |
| Other Current Liabilities           | 19    | 34.03                | 36.75                | 34.99               |
| <b>Total Liabilities</b>            |       | <b>258.77</b>        | <b>229.05</b>        | <b>190.95</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       |                      |                      |                     |
|                                     |       | <b>4,349.83</b>      | <b>3,782.37</b>      | <b>3,610.55</b>     |

Summary of significant accounting policies 2

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

As per our report of even date.

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

**For and on behalf of the board of directors**

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

**Kalanithi Maran**  
Chairman

**K Vijaykumar**  
Managing Director &  
Chief Executive Officer

Place : Chennai  
Date : May 26, 2017

**R. Ravi**  
Company Secretary

**V C Unnikrishnan**  
Chief Financial Officer

Place : Chennai  
Date : May 26, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**  
*(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

| Particulars                                                                                          | Note No. | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|------------------------------------------------------------------------------------------------------|----------|------------------------------|------------------------------|
| <b>Income</b>                                                                                        |          |                              |                              |
| Revenue from Operations                                                                              | 20       | 2,558.25                     | 2,395.21                     |
| Other Income                                                                                         | 21       | 145.55                       | 107.54                       |
| <b>Total Income (I)</b>                                                                              |          | <b>2,703.80</b>              | <b>2,502.75</b>              |
| <b>Expenses</b>                                                                                      |          |                              |                              |
| Operating expenses                                                                                   | 22       | 301.99                       | 266.54                       |
| Employee benefits expenses                                                                           | 23       | 256.27                       | 235.99                       |
| Other expenses                                                                                       | 24       | 235.08                       | 189.31                       |
| Selling expenses                                                                                     | 25       | 27.94                        | 7.43                         |
| Depreciation and amortization expenses                                                               | 26       | 391.14                       | 485.02                       |
| Finance costs                                                                                        | 27       | 1.03                         | 2.19                         |
| <b>Total Expense (II)</b>                                                                            |          | <b>1,213.45</b>              | <b>1,186.48</b>              |
| <b>Profit before exceptional item and tax (I) - (II)</b>                                             |          | <b>1,490.35</b>              | <b>1,316.27</b>              |
| <b>Exceptional items (net)</b>                                                                       | 28       | -                            | 17.97                        |
| <b>Profit before tax</b>                                                                             |          | <b>1,490.35</b>              | <b>1,334.24</b>              |
| Current Taxes                                                                                        |          | 476.73                       | 466.50                       |
| Deferred Taxes (net)                                                                                 |          | 34.21                        | (1.95)                       |
| <b>Income tax expense</b>                                                                            | 29       | <b>510.94</b>                | <b>464.55</b>                |
| <b>Profit for the year</b>                                                                           |          | <b>979.41</b>                | <b>869.69</b>                |
| <b>Other Comprehensive Income:</b>                                                                   |          |                              |                              |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>    |          |                              |                              |
| Remeasurement gains and (losses) on defined benefit obligations(net)                                 |          | (1.57)                       | 0.11                         |
| Income tax effect                                                                                    |          | 0.59                         | (0.04)                       |
| <b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b> |          | <b>(0.98)</b>                | <b>0.07</b>                  |
| <b>Total comprehensive income for the year</b>                                                       |          | <b>978.43</b>                | <b>869.76</b>                |
| <b>Earnings per Equity Share of Rs. 5.00/- each</b>                                                  | 30       |                              |                              |
| Basic earnings from operations attributable to share holders                                         |          | 24.85                        | 22.07                        |
| Diluted earnings from operations attributable to share holders                                       |          | 24.85                        | 22.07                        |

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**  
(All amounts are in crores of Indian Rupees, except in respect of number and per share information)

Significant Accounting Policies

2

The accompanying notes are and integral part of the Financial Statements.

**For S.R. BATLIBOI & ASSOCIATES LLP**

**For and on behalf of the board of directors**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

**Kalanithi Maran**

Chairman

**K Vijaykumar**

Managing Director &  
Chief Executive Officer

Place : Chennai

Date : May 26, 2017

**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place : Chennai

Date : May 26, 2017

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number of shares)***a. Equity Share Capital:**

| Equity shares of Rs.5.00 /- each issued, subscribed and fully paid | Number              | Amounts       |
|--------------------------------------------------------------------|---------------------|---------------|
| As at April 1, 2015                                                | 39,40,84,620        | 197.04        |
| At at March 31, 2016                                               | 39,40,84,620        | 197.04        |
| <b>As at March 31, 2017</b>                                        | <b>39,40,84,620</b> | <b>197.04</b> |

**b. Other equity****For the year ended March 31, 2017**

| Particulars                                      | Attributable to Equity share holders |                            |                 | Total           |
|--------------------------------------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                                  | Retained earnings                    | Securities Premium Reserve | General Reserve |                 |
| <b>As at April 1, 2016</b>                       | 2,364.97                             | 471.82                     | 483.80          | 3,320.59        |
| Profit for the year                              | 979.41                               | -                          | -               | 979.41          |
| Other comprehensive income                       | (0.98)                               | -                          | -               | (0.98)          |
| Total Comprehensive Income                       | 3,343.40                             | 471.82                     | 483.80          | 4,299.02        |
| Cash dividends (Refer note - 12.3)               | (394.08)                             | -                          | -               | (394.08)        |
| Dividend distribution tax (DDT) on cash dividend | (80.23)                              | -                          | -               | (80.23)         |
| <b>As at March 31, 2017</b>                      | <b>2,869.09</b>                      | <b>471.82</b>              | <b>483.80</b>   | <b>3,824.71</b> |

**For the year ended March 31, 2016**

| Particulars                                     | Attributable to Equity share holders |                            |                 | Total           |
|-------------------------------------------------|--------------------------------------|----------------------------|-----------------|-----------------|
|                                                 | Retained earnings                    | Securities Premium Reserve | General Reserve |                 |
| <b>As at April 1, 2015</b>                      | 2,230.39                             | 471.82                     | 483.80          | 3,186.01        |
| Profit for the year                             | 869.69                               | -                          | -               | 869.69          |
| Other comprehensive income                      | 0.07                                 | -                          | -               | 0.07            |
| Total Comprehensive Income                      | 3,100.15                             | 471.82                     | 483.80          | 4,055.77        |
| Cash dividends (Refer note - 12.3)              | (610.83)                             | -                          | -               | (610.83)        |
| Dividend distribution tax(DDT) on cash dividend | (124.35)                             | -                          | -               | (124.35)        |
| <b>As at March 31, 2016</b>                     | <b>2,364.97</b>                      | <b>471.82</b>              | <b>483.80</b>   | <b>3,320.59</b> |

Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

Place : Chennai

Date : May 26, 2017

**For and on behalf of the board of directors****Kalanithi Maran**

Chairman

**K Vijaykumar**Managing Director &  
Chief Executive Officer**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place: Chennai

Date : May 26, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

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

|                                                                                                                                                        | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from operating activities</b>                                                                                                             |                              |                              |
| <b>Net profit before tax and exceptional items</b>                                                                                                     | <b>1,490.35</b>              | <b>1,316.27</b>              |
| Adjustments to reconcile profit before tax to net cash flows:                                                                                          |                              |                              |
| Depreciation on property, plant and equipment and investment properties                                                                                | 54.41                        | 73.27                        |
| Amortisation of intangible assets                                                                                                                      | 336.73                       | 411.75                       |
| Loss on sale of property, plant and equipment, (net)                                                                                                   | 1.74                         | 1.42                         |
| Translation loss / (gain) on monetary assets and liabilities                                                                                           | 2.76                         | (1.11)                       |
| Impairment allowance (allowance for bad and doubtful debts / movie advance and other advances) net of reversals (allowance for bad and doubtful debts) | (51.21)                      | 24.10                        |
| Provision for litigations and claims                                                                                                                   | 2.28                         | 1.08                         |
| Bad debts written off                                                                                                                                  | 77.20                        | 2.95                         |
| Provision for FM Licenses fees                                                                                                                         | 2.05                         | 2.05                         |
| Liabilities / provisions no longer required written back                                                                                               | (1.51)                       | (6.08)                       |
| Interest income                                                                                                                                        | (65.23)                      | (70.58)                      |
| Export incentives (government grants) (Refer Note 17)                                                                                                  | (1.47)                       | (1.86)                       |
| Dividend income / Net gain on sale of current investments                                                                                              | (30.37)                      | (11.47)                      |
| Fair value gain on financial instruments at fair value through profit or loss                                                                          | (38.95)                      | (7.00)                       |
| Finance cost                                                                                                                                           | 1.03                         | 2.19                         |
| <b>Operating profit before working capital changes</b>                                                                                                 | <b>1,779.81</b>              | <b>1,736.98</b>              |
| Movements in working capital :                                                                                                                         |                              |                              |
| (Increase) / Decrease in trade receivables                                                                                                             | (9.47)                       | (78.94)                      |
| (Increase) / Decrease in inventories                                                                                                                   | 0.24                         | (0.65)                       |
| (Increase) / Decrease in other current assets/other financial assets                                                                                   | (5.17)                       | 12.34                        |
| (Increase) / Decrease in loans and advances                                                                                                            | (7.78)                       | (1.99)                       |
| Increase / (Decrease) in trade payables and other liabilities/other financial liabilities                                                              | 19.51                        | 39.24                        |
| Increase / (Decrease) in provisions                                                                                                                    | 1.25                         | 4.01                         |
| <b>Cash generated from operations</b>                                                                                                                  | <b>1,778.39</b>              | <b>1,710.99</b>              |
| Direct taxes paid (net of refunds)                                                                                                                     | (487.67)                     | (455.08)                     |
| <b>Net cash flow from / (used in) operating activities</b>                                                                                             | <b>1,290.72</b>              | <b>1,255.91</b>              |
| <b>Cash flow from investing activities</b>                                                                                                             |                              |                              |
| Payment for Purchase of Property, plant and Equipment (PP&E), Investment properties and capital work in progress (including capital advances)          | (386.93)                     | (37.83)                      |
| Payment for purchase of intangible assets (including advances towards purchase of intangible assets)                                                   | (239.89)                     | (333.40)                     |

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                                                                                           |                  | <b>Year ended<br/>March 31, 2017</b> | <b>Year ended<br/>March 31, 2016</b> |
|-------------------------------------------------------------------------------------------|------------------|--------------------------------------|--------------------------------------|
| Payment for purchase of financial instruments<br>(current investments)                    |                  | (1,833.00)                           | (685.34)                             |
| Proceeds from sale of financial instruments<br>(current investments)                      |                  | 1,557.06                             | 706.67                               |
| Proceeds from sale of Property, plant and equipment (PP&E)                                |                  | 261.02                               | 0.50                                 |
| Investment in Subsidiary and Joint venture                                                |                  | (90.00)                              | (157.80)                             |
| Payment for purchase of Non - current investments                                         |                  | (201.49)                             | -                                    |
| Term deposits placed with banks during the year                                           |                  | (114.22)                             | (232.31)                             |
| Term deposits refunded from banks during the year                                         |                  | 234.47                               | 297.04                               |
| Interest received (finance income)                                                        |                  | 69.44                                | 72.31                                |
| Dividend income / Net gain on sale of current<br>investments                              |                  | 30.37                                | 11.47                                |
| <b>Net cash from / (used in) investing activities</b>                                     | <b>(B)</b>       | <b>(713.17)</b>                      | <b>(358.69)</b>                      |
| <b>Cash flow from financing activities</b>                                                |                  |                                      |                                      |
| Proceeds from short term borrowings                                                       |                  | 314.40                               | 1,176.35                             |
| Repayment of short term borrowings                                                        |                  | (314.40)                             | (1,176.35)                           |
| Interim Dividend Paid                                                                     |                  | (394.08)                             | (610.83)                             |
| Tax on interim dividend paid                                                              |                  | (80.23)                              | (124.35)                             |
| Interest paid (finance cost)                                                              |                  | (1.03)                               | (2.19)                               |
| <b>Net cash (used in) / from financing activities</b>                                     | <b>(C)</b>       | <b>(475.34)</b>                      | <b>(737.37)</b>                      |
| Exchange differences on translation of foreign<br>currency cash and cash equivalents      | <b>(D)</b>       | 0.02                                 | (0.13)                               |
| <b>Net increase in cash and cash<br/>equivalents</b>                                      | <b>(A+B+C+D)</b> | <b>102.23</b>                        | <b>159.72</b>                        |
| <b>Opening balance of cash and cash equivalents</b>                                       | <b>(E)</b>       | <b>552.93</b>                        | <b>393.21</b>                        |
| <b>Closing balance of cash and cash equivalents</b>                                       | <b>(F)</b>       | <b>655.16</b>                        | <b>552.93</b>                        |
| Net increase / (decrease) in cash and cash<br>equivalents                                 | <b>(F-E)</b>     | 102.23                               | 159.72                               |
| Closing cash and Bank Balance                                                             | <b>(F)</b>       | 655.16                               | 552.93                               |
| <b>Notes</b>                                                                              |                  |                                      |                                      |
| a) The reconciliation to the cash and bank balances as given in Note 11.1 is as follows : |                  |                                      |                                      |
| Cash and Cash Equivalents (Note 11.1)                                                     |                  | 655.16                               | 552.93                               |
| <b>Cash and cash equivalents, end of year</b>                                             |                  | <b>655.16</b>                        | <b>552.93</b>                        |
| b) Components of cash and cash equivalents                                                |                  |                                      |                                      |
| Cash and cheques on hand                                                                  |                  | 39.17                                | 108.16                               |
| With banks - on current account                                                           |                  | 172.41                               | 37.01                                |
| - on deposit account (unrestricted)                                                       |                  | 443.58                               | 407.76                               |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### 1. Corporate information

Sun TV Network Limited ('Sun TV' or 'the Company') was incorporated on December 18, 1985 as Sumangali Publications Private Limited. The Company is engaged in producing and broadcasting satellite television and radio software programming in the regional languages of South India. The Company is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') in India. The Company has its registered office at Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai – 600 028.

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

The financial statements are approved for issue by the Company's Board of Directors on May 26, 2017.

### 2. Summary of significant accounting policies

#### a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. For all periods upto and including the year ended March 31, 2016, the Company has prepared its financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and to reflect the financial position and the results of operations of the Company. These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to Note 41 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

#### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- ❑ Expected to be realized or intended to sold or consumed in normal operating cycle
- ❑ Held primarily for the purpose of trading
- ❑ Expected to be realized within twelve months after the reporting period, or
- ❑ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

All other assets are classified as non-current.

Liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **c) Property, plant and equipment and Depreciation**

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2015.

Further, the deemed cost exemption being availed, the carrying value of property, plant and equipment's have been adjusted to recognise the asset related government grants outstanding on the transition date as deferred income in accordance with the requirements of Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings as at date of transition in accordance with paragraph 10 of Ind AS 101, respectively, as the grant is directly linked to the property, plant and equipment as clarified by Ind AS Transition Facilitation Group (ITFG) clarification Bulletin 5.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price ( including all duties and taxes after deducting trade discounts and rebates if any ) and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major expenditure is incurred, its cost is recognised in the carrying amount of the plant and equipment, if it increases the future benefits from the existing asset. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For depreciation, the Company identifies and determines cost of assets significant to the total cost of the assets having useful life that is materially different from that of the life of the principal asset.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### **Depreciation**

Based on a technical assessment and a review of past history of asset usage, management of the Company has not revised its useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended).

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

|                                | <b><u>Years</u></b> |
|--------------------------------|---------------------|
| Buildings                      | 20 - 58             |
| Plant and machinery            | 10 - 20             |
| Computer and related equipment | 6                   |
| Furniture and fittings         | 15                  |
| Office equipment               | 20                  |
| Motor Vehicles                 | 10                  |

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

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based on technical assessment and a review of past history of asset usage, management's estimate of useful life of such aircrafts, i.e. 15 years.

The gross block of plant and machinery as at March 31, 2017 includes cost of program production equipment of Rs. 25.47 crores (Previous year Rs. 24.44 crores and April 1, 2015 Rs 19.13 crores), post production equipment of Rs. 13.41 crores (Previous year Rs. 12.74 crores and April 1, 2015 Rs 12.33 crores), reception and distribution facilities of Rs. 67.63 crores (Previous year Rs. 61.99 crores and April 1, 2015 Rs 49.20 crores), computer and related equipment of Rs. 32.02 crores (Previous year Rs. 29.01 crores and April 1, 2015 Rs 17.61 crores) and aircraft of Rs. 365.17 crores (Previous year Rs. 255.18 crores and April 1, 2015 Rs 255.17 crores). The net block of plant and machinery as at March 31, 2017 includes the net block of program production equipment of Rs. 18.06 crores (Previous year Rs. 20.76 crores and April 1, 2015 Rs 19.13 crores), post production equipment of Rs. 7.98 crores (Previous year Rs. 9.32 crores and April 1, 2015 Rs 12.33 crores), reception and distribution facilities of Rs. 44.37 crores (Previous year Rs. 50.20 crores and April 1, 2015 Rs 49.20 crores), computer and related equipment of Rs. 13.61 crores (Previous year Rs. 18.74 crores and April 1, 2015 Rs 17.61 crores) and aircraft of Rs. 364.67 (Previous year Rs. Nil crores and April 1, 2015 Rs 255.17 crores).

### **d) Investment Property**

The Company has elected to apply the carrying value of underlying assets as measured in its Indian GAAP financial statements as the deemed cost of the Investment Property at the transition date, viz., April 1, 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Depreciation on Investment property is provided on written down value method, using the useful lives estimated by the management. The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life of 20 to 58 years which is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying an approved valuation model (refer note 4 of Standalone financial statement).

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**e) Intangible assets and amortization**

The company has elected to continue with the carrying value for all of its Intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2015.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

❑ **Computer software**

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

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

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

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### □ Film production costs, distribution and related rights

The cost of production / acquisition of all the rights related to each movie is amortised upon the theatrical release of the movie.

### □ Licenses

Licenses represent one time entry fees paid to Ministry of Information and Broadcasting ('MIB') under the applicable licensing policy for Frequency Modulation ('FM') Radio broadcasting. Cost of licenses are amortised over the license period, being 15 years.

### f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

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

### g) Franchisee fees

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

### h) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

- ❑ Advertising income and income from sales of broadcast slots are recognised when the related commercial or programme is telecast.
- ❑ International subscription income represents income from the export of program software content, and is recognised as and when the services are rendered 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 number of subscription points to which the service is provided based on relevant agreements with such cable operators (along with management's best estimates of such subscription points wherever applicable), at contractually agreed rates with the Company's authorised distributor. Subscription income from DTH customers is recognised as and when services are rendered to the customer in accordance with the terms of agreements entered into with the service providers.
- ❑ Revenues from sale of movie distribution rights are recognised in accordance with the terms of agreements with customers.
- ❑ Income from content trading represent revenue earned from mobile service providers and DTH service providers through exploitation of content owned by the Company. Income is recognised as per the terms of contract with the respective service providers and based on the services being rendered to the service provider.
- ❑ Income from Indian Premier League represents following :

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

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

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

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

- ❑ Revenues from barter transactions, and the related costs, are recorded at fair values of the services received or if the same cannot be measured reliably, then the fair value of the services rendered, as estimated by management.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

- For all debt instruments, interest income is recorded using the effective interest rate (EIR). Finance income is included in other income in the statement of profit and loss.
- Dividend income is recognised when the right to receive payment is established, which is generally when shareholders of the investee entity approve the dividend.
- Rental income arising from operating leases on investment properties is accounted for based on the terms of the agreements and is included in other income in the statement of profit or loss.
- Export incentives are recognized on availment of the benefits under the respective schemes.

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

### j) Retirement and other employee benefits

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

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ('OCI') in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re-measurement gains /losses are accounted through Profit or Loss account and are not deferred.

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***k) Taxes**

Tax expense comprises current and deferred tax.

**a. Current income-tax**

Current income-tax asset and liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b. Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ❑ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❑ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ❑ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❑ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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.

### l) Earnings per share (EPS)

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

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

### m) Operating leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

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

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

#### Operating leases (where the Company is the lessor)

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

### n) Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management operations.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***o) Foreign currency transactions**Initial recognition

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

Conversion

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

Exchange differences

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

**p) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in Note No. 37 & 38 of the Standalone financial statements.

### q) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

### r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- ❑ Debt instruments at amortized cost
- ❑ Debt instruments at fair value through profit or loss (FVTPL)
- ❑ Equity instruments at fair value through other comprehensive income (FVTOCI)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- ❑ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ❑ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss account. The Company does not have any financial asset under this category.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Company doesn't have any debt instruments that qualify for FVTOCI classification.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. However there are no such instruments that have been classified through FVTOCI and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Equity investment in Subsidiary and Joint Venture**

Investment in subsidiary and joint venture is carried at cost in the separate financial statements as permitted under Ind AS 27.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- ❑ The rights to receive cash flows from the asset have expired, or
- ❑ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- ❑ Financial assets that are debt instruments, and are measured at amortized cost e.g. debt securities, deposits, trade receivables and bank balance
- ❑ Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ❑ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ❑ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ❑ Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities****Initial recognition and measurement**

The Company's financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**s) Contingent liabilities**

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### t) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and depreciated / released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

### u) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs include the cost incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of goods is determined on a FIFO basis.

### v) Segment reporting

Based on internal reporting provided to the Chief operating decision maker, the Company's operations predominantly related to Media and Entertainment and, accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

### w) Recent accounting pronouncements

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

#### Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements.

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

#### Note 3 - Property, Plant & Equipment

|                                              | Freehold Land | Buildings     | Plant and Machinery | Office Equipment | Furniture and Fittings | Leasehold Improvements | Motor vehicles* | Total         |
|----------------------------------------------|---------------|---------------|---------------------|------------------|------------------------|------------------------|-----------------|---------------|
| <b>Gross Block (also refer note 2(c))</b>    |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                             | 87.73         | 180.31        | 353.44              | 36.47            | 39.19                  | 7.24                   | 7.20            | 711.58        |
| Additions                                    | -             | 3.00          | 32.09               | 2.03             | 0.48                   | 0.23                   | 0.59            | 38.42         |
| Disposals                                    | -             | -             | (2.17)              | -                | (0.01)                 | -                      | (0.79)          | (2.97)        |
| <b>At March 31, 2016</b>                     | <b>87.73</b>  | <b>183.31</b> | <b>383.36</b>       | <b>38.50</b>     | <b>39.66</b>           | <b>7.47</b>            | <b>7.00</b>     | <b>747.03</b> |
| Additions                                    | -             | 0.86          | 378.65              | 2.16             | 0.38                   | -                      | 3.69            | 385.74        |
| Transfer to Investment Properties (Note - 4) | -             | (0.20)        | -                   | -                | -                      | -                      | -               | (0.20)        |
| Disposals                                    | -             | -             | (258.31)            | (0.24)           | -                      | -                      | (0.87)          | (259.42)      |
| <b>At March 31, 2017</b>                     | <b>87.73</b>  | <b>183.97</b> | <b>503.70</b>       | <b>40.42</b>     | <b>40.04</b>           | <b>7.47</b>            | <b>9.82</b>     | <b>873.15</b> |
| <b>Depreciation</b>                          |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                             | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Charge for the year (Refer Note-26)          | -             | 12.83         | 42.72               | 5.27             | 7.28                   | 2.26                   | 1.97            | 72.33         |
| Impairment                                   | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Disposals                                    | -             | -             | (0.41)              | -                | (0.01)                 | -                      | (0.62)          | (1.04)        |
| <b>At March 31, 2016</b>                     | <b>-</b>      | <b>12.83</b>  | <b>42.31</b>        | <b>5.27</b>      | <b>7.27</b>            | <b>2.26</b>            | <b>1.35</b>     | <b>71.29</b>  |
| Charge for the year (Refer Note-26)          | -             | 11.75         | 26.94               | 4.76             | 5.90                   | 2.14                   | 2.01            | 53.50         |
| Transfer to Investment Properties (Note - 4) | -             | (0.01)        | -                   | -                | -                      | -                      | -               | (0.01)        |
| Disposals                                    | -             | -             | (14.24)             | (0.06)           | -                      | -                      | (0.34)          | (14.64)       |
| <b>At March 31, 2017</b>                     | <b>-</b>      | <b>24.57</b>  | <b>55.01</b>        | <b>9.97</b>      | <b>13.17</b>           | <b>4.40</b>            | <b>3.01</b>     | <b>110.14</b> |
| <b>Provision Impairment</b>                  |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                             | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Charge for the year (Refer Note - 28)        | -             | -             | 242.03              | -                | -                      | -                      | -               | 242.03        |
| Disposals                                    | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| <b>At March 31, 2016</b>                     | <b>-</b>      | <b>-</b>      | <b>242.03</b>       | <b>-</b>         | <b>-</b>               | <b>-</b>               | <b>-</b>        | <b>242.03</b> |
| Charge for the year                          | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Disposals / Reversal                         | -             | -             | (242.03)            | -                | -                      | -                      | -               | (242.03)      |
| <b>At March 31, 2017</b>                     | <b>-</b>      | <b>-</b>      | <b>-</b>            | <b>-</b>         | <b>-</b>               | <b>-</b>               | <b>-</b>        | <b>-</b>      |
| <b>Net Block</b>                             |               |               |                     |                  |                        |                        |                 |               |
| At March 31, 2016                            | 87.73         | 170.48        | 99.02               | 33.23            | 32.39                  | 5.21                   | 5.65            | 433.71        |
| At March 31, 2017                            | 87.73         | 159.40        | 448.69              | 30.45            | 26.87                  | 3.07                   | 6.80            | 763.01        |

\*Note : Under certain arrangements between the Company and its Directors, the Company had, from time to time, made payments to vendors for the purpose of acquiring vehicles, which are registered in the names of those Directors. The terms of these arrangements provide for such vehicles to be maintained, operated and used exclusively by the Company for the purpose of its business. The original cost and net book value of such vehicles as at March 31, 2017 are Rs 0.17 crores and Rs 0.08 crores respectively (March 31, 2016 - Rs 0.17 crores and Rs 0.10 crores respectively).

#### Note 2: Impairment of non-financial assets:

During the year ended March 31, 2016, Company's aircraft sustained damages due to floods in Chennai and an impairment loss of Rs. 242.03 crores had been recognised in the books, representing the written-down value of the same. This was recognised in the statement of profit and loss during the previous year. In the current year, disposal of this asset has been recorded on receipt of related insurance claim.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 4. Investment Properties

| Particulars                                      | Amount       |
|--------------------------------------------------|--------------|
| <b>Cost (also refer note 2(d))</b>               |              |
| <b>Opening balance at April 1, 2015</b>          | <b>13.69</b> |
| Additions during the year                        | 0.28         |
| <b>Closing balance as at March 31, 2016</b>      | <b>13.97</b> |
| Additions during the year                        | 0.40         |
| Transfer from Property, Plant & Equipment (PP&E) | 0.20         |
| <b>Closing balance as at March 31, 2017</b>      | <b>14.57</b> |
| <b>Depreciation and impairment</b>               |              |
| Opening balance at April 1, 2015                 | -            |
| Depreciation during the year(refer note 26)      | 0.94         |
| <b>Closing balance as at March 31, 2016</b>      | <b>0.94</b>  |
| Depreciation during the year(refer note 26)      | 0.91         |
| Transfer from Property, Plant & Equipment        | 0.01         |
| <b>Closing balance as at March 31, 2017</b>      | <b>1.86</b>  |
| <b>Net Block</b>                                 |              |
| As at April 1, 2015                              | 13.69        |
| As at March 31, 2016                             | 13.03        |
| As at March 31, 2017                             | 12.71        |

### Information regarding income and expenditure of Investment properties

| Particulars                                                                                | March 31,<br>2017 | March 31,<br>2016 |
|--------------------------------------------------------------------------------------------|-------------------|-------------------|
| Rental income derived from investment properties                                           | 3.54              | 3.29              |
| Direct operating expenses (including repairs and maintenance) generating rental income     | 1.20              | 1.33              |
| <b>Profit arising from investment properties before depreciation and indirect expenses</b> | <b>2.34</b>       | <b>1.96</b>       |
| Less – Depreciation                                                                        | 0.91              | 0.94              |
| <b>Profit arising from investment properties before indirect expenses</b>                  | <b>1.43</b>       | <b>1.02</b>       |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The Company's investment properties consists of office premises let out on lease.

As at March 31, 2017, March 31, 2016 and April 01, 2015 the fair values of the properties are Rs.75.75 crores Rs. 67.41 crores and Rs.58.18 crores respectively.

These valuations are based on valuations performed by an accredited independent valuer. The valuer is a specialist in valuing these types of investment properties. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements

Fair value hierarchy disclosures for investment properties have been provided in Note 37.

**Reconciliation of fair value:**

|                                            | <b>Investment<br/>properties<br/>(Rs in Crores)</b> |
|--------------------------------------------|-----------------------------------------------------|
|                                            | <b>Total</b>                                        |
| <b>Opening balance as at 1 April 2015</b>  | <b>58.18</b>                                        |
| Fair value difference                      | 8.95                                                |
| Additions                                  | 0.28                                                |
| <b>Opening balance as at 1 April 2016</b>  | <b>67.41</b>                                        |
| Fair value difference                      | 7.74                                                |
| Additions                                  | 0.60                                                |
| <b>Closing balance as at 31 March 2017</b> | <b>75.75</b>                                        |

**Description of valuation techniques used and key inputs to valuation on investment properties:**

The Company has fair valued the office premises property let out on lease using Market approach method.

**Significant unobservable Inputs**

The independent valuer has made detailed study of prevailing market rate for the commercial buildings in the areas wherein the office premises property is being let out by the Company. This has been adjusted for amenities, depreciation and other lease hold improvement made by the Company to the respective properties.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 5 - Intangible Assets

|                                 | Film and Program<br>Broadcasting Rights | Film Production costs,<br>Distribution<br>and Related Rights | Computer<br>Software | Total           |
|---------------------------------|-----------------------------------------|--------------------------------------------------------------|----------------------|-----------------|
| <b>Gross Block</b>              |                                         |                                                              |                      |                 |
| Deemed cost as at April 1, 2015 | 357.30                                  | -                                                            | 2.35                 | 359.65          |
| Additions                       | 424.29                                  | 7.50                                                         | 6.48                 | 438.27          |
| Disposals                       | (16.14)                                 | -                                                            | -                    | (16.14)         |
| <b>At March 31, 2016</b>        | <b>765.45</b>                           | <b>7.50</b>                                                  | <b>8.83</b>          | <b>781.78</b>   |
| Additions                       | 275.67                                  | -                                                            | 1.22                 | 276.89          |
| Disposals                       | (24.23)                                 | -                                                            | -                    | (24.23)         |
| <b>At March 31, 2017</b>        | <b>1,016.89</b>                         | <b>7.50</b>                                                  | <b>10.05</b>         | <b>1,034.44</b> |

### Amortization and Impairment

|                                       |               |             |             |               |
|---------------------------------------|---------------|-------------|-------------|---------------|
| At April 1, 2015                      | -             | -           | -           | -             |
| Charge for the year (Refer Note - 26) | 401.96        | 7.50        | 2.29        | 411.75        |
| Disposals                             | (16.14)       | -           | -           | (16.14)       |
| <b>At March 31, 2016</b>              | <b>385.82</b> | <b>7.50</b> | <b>2.29</b> | <b>395.61</b> |
| Charge for the year (Refer Note - 26) | 333.24        | -           | 3.49        | 336.73        |
| Disposals                             | (24.23)       | -           | -           | (24.23)       |
| <b>At March 31, 2017</b>              | <b>694.83</b> | <b>7.50</b> | <b>5.78</b> | <b>708.11</b> |

### Net Block

|                          |               |          |             |               |
|--------------------------|---------------|----------|-------------|---------------|
| <b>At March 31, 2016</b> | <b>379.63</b> | <b>-</b> | <b>6.54</b> | <b>386.17</b> |
| <b>At March 31, 2017</b> | <b>322.06</b> | <b>-</b> | <b>4.27</b> | <b>326.33</b> |

### Note 6. Financial assets (non-current)

|                                                                                                                                                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Investment in Subsidiary &amp; Joint venture at cost</b>                                                                                                                              |                         |                         |                        |
| <b>Equity instruments (Unquoted)</b>                                                                                                                                                     |                         |                         |                        |
| -In Subsidiary Company :                                                                                                                                                                 |                         |                         |                        |
| 14,84,15,000 (March 31, 2016 - 12,13,05,000, April 1, 2015<br>-12,13,05,000) fully paid equity shares of Rs 10/- each<br>in Kal Radio Limited                                            | 211.31                  | 121.31                  | 121.31                 |
| -In Joint Venture Company :                                                                                                                                                              |                         |                         |                        |
| 22,69,92,000 (March 31, 2016 - 22,69,92,000, April 1, 2015<br>- 14,80,92,000) fully paid equity shares of Rs 10/- each in<br>South Asia FM Limited                                       | 309.24                  | 305.89                  | 148.09                 |
| <b>Preference shares (Unquoted)</b>                                                                                                                                                      |                         |                         |                        |
| -In Joint Venture Company :                                                                                                                                                              |                         |                         |                        |
| 14,01,00,410 (March 31, 2016 - 14,01,00,410,<br>April 1, 2015 - 14,01,00,410 ) fully paid<br>0.1% Compulsorily Convertible Preference Shares of<br>Rs 10/- each in South Asia FM Limited | 140.10                  | 140.10                  | 140.10                 |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

In Subsidiary Companies :

5,28,80,000 (March 31, 2016 - 5,28,80,000,

April 1, 2015 - 5,28,80,000) fully paid

0.1% Compulsorily Convertible Preference Shares of

Rs 10/- each in Kal Radio Limited

52.90

52.90

52.90

**Total investment in Subsidiary & Joint venture****713.55****620.20****462.40****Investments - Investments at Amortised Cost:**

Investment in Tax Free Bonds (unquoted) (Refer note 6.1)

194.92

-

-

**(A)****194.92**

-

-

**Aggregate amount of unquoted investments at Amortised Cost****194.92**

-

-

**Other Financial Assets at Amortised Cost****As at****As at****As at****March 31, 2017****March 31, 2016****April 01, 2015**

Rental and other deposits

5.62

5.35

5.45

Deposits with Government agencies

2.66

2.35

2.36

Bank Balances other than cash and cash equivalents

33.76

-

-

**Total Other Financial assets at Amortised Cost****(B)****42.04****7.70****7.81**

The Company has pledged its deposits to fulfil collateral requirements. Refer to Note 33 (d) for further details.

**Total Financial Assets at Amortised Cost****(A + B)****236.96****7.70****7.81****Note 6.1 - Investment in tax free bonds**

|                                                          | As at March 31, 2017 |              |                |
|----------------------------------------------------------|----------------------|--------------|----------------|
|                                                          | No of Units          | Face Value   | Carrying Value |
| <b>Unquoted Tax free bonds</b>                           |                      |              |                |
| Housing and Urban Development Corporation Ltd-8.10       | 4,59,100             | 1,000.00     | 49.21          |
| India Infrastructure Finance Company Limited-6.86        | 2,00,000             | 1,000.00     | 20.41          |
| India Infrastructure Finance Company Limited-8.41        | 50,000               | 1,000.00     | 5.54           |
| Indian Railway Finance Corporation Limited-6.70          | 800                  | 1,00,000.00  | 8.10           |
| Indian Railway Finance Corporation Limited-6.72          | 3,100                | 1,00,000.00  | 31.41          |
| Indian Railway Finance Corporation Limited-7.18          | 2,00,000             | 1,000.00     | 20.75          |
| Indian Railway Finance Corporation Limited-8.00          | 1,00,000             | 1,000.00     | 10.68          |
| National Bank for Agriculture and Rural Development-7.04 | 40,000               | 1,000.00     | 4.15           |
| National Highways Authority of India-8.27                | 3,00,000             | 1,000.00     | 33.10          |
| National Housing Bank-6.89                               | 11                   | 10,00,000.00 | 1.12           |
| National Housing Bank-7.17                               | 50                   | 10,00,000.00 | 5.19           |
| NTPC Limited-7.15                                        | 50                   | 10,00,000.00 | 5.26           |

**Aggregate amount of unquoted investments****194.92**

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The Companies investment in tax free bonds primarily consists of bonds purchased from Government Companies.

The valuations for tax free bonds are based on valuations performed by an accredited independent valuer. The valuer is a specialist in valuing these types of Bonds. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The Company has no restrictions on the disposal of its tax free bonds

Fair value hierarchy disclosures for investments in tax free bonds have been provided in Note 37.

### **Description of valuation techniques used and key inputs to valuation on investment in tax free bonds:**

The Company has fair valued the tax free bonds using IMaCS standard methodology which captures the market condition has on the given day of valuation on T+1 basis.

### **Significant unobservable Inputs**

The independent valuer has made detailed study based on standard methodology for scrip level valuation and have considered the available secondary market and primary market trades for valuation of bonds on reporting date. Outlier trades if any are identified and excluded. Widespread Polling is also conducted with market participant to understand the movement in levels. In the case of illiquid instruments, the valuation is arrived at based on the value bonds with similar maturity issued by similar issuers or securities are linked to a benchmark and a spread over benchmark is arrived at and the same is carried forward.

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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 7. Other current and non-current assets**

| <b>Other non-current assets</b>                                                      | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|--------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>Unsecured and considered good</b>                                                 |                                 |                                 |                                |
| Capital advances                                                                     |                                 |                                 |                                |
| Considered good                                                                      | 18.51                           | 59.07                           | 172.65                         |
| Considered doubtful                                                                  | 30.81                           | 26.58                           | 18.22                          |
|                                                                                      | <b>49.32</b>                    | <b>85.65</b>                    | <b>190.87</b>                  |
| Impairment allowance for doubtful capital advances                                   | (30.81)                         | (26.58)                         | (18.22)                        |
| <b>(A)</b>                                                                           | <b>18.51</b>                    | <b>59.07</b>                    | <b>172.65</b>                  |
| Balances with statutory/government authorities                                       |                                 |                                 |                                |
| Considered good                                                                      | 60.18                           | 60.18                           | 60.18                          |
| Considered doubtful                                                                  | -                               | -                               | 2.21                           |
|                                                                                      | <b>60.18</b>                    | <b>60.18</b>                    | <b>62.39</b>                   |
| Impairment allowance for doubtful balances with Statutory and Government Authorities | -                               | -                               | (2.21)                         |
| <b>(B)</b>                                                                           | <b>60.18</b>                    | <b>60.18</b>                    | <b>60.18</b>                   |
| Prepaid expenses                                                                     | 0.85                            | 0.89                            | 0.58                           |
| <b>(C)</b>                                                                           |                                 |                                 |                                |
| <b>Total non-current assets (A) + (B) + (C)</b>                                      | <b>79.54</b>                    | <b>120.14</b>                   | <b>233.41</b>                  |

**Other current assets**

|                                                   | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|---------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>Advances recoverable in kind</b>               |                                 |                                 |                                |
| Considered good                                   | 33.85                           | 29.34                           | 31.21                          |
| Considered doubtful                               | 0.28                            | 2.64                            | 2.56                           |
|                                                   | <b>34.13</b>                    | <b>31.98</b>                    | <b>33.77</b>                   |
| Impairment allowance for doubtful advances        | (0.28)                          | (2.64)                          | (2.56)                         |
| <b>(A)</b>                                        | <b>33.85</b>                    | <b>29.34</b>                    | <b>31.21</b>                   |
| Prepaid expenses                                  | 10.21                           | 13.90                           | 10.42                          |
| <b>(B)</b>                                        |                                 |                                 |                                |
| Balances with Statutory / Government Authorities  | 1.07                            | -                               | 0.01                           |
| <b>(C)</b>                                        |                                 |                                 |                                |
| <b>Total other current assets (A) + (B) + (C)</b> | <b>45.13</b>                    | <b>43.24</b>                    | <b>41.64</b>                   |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 8. Inventories

|                       | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------|-------------------------|-------------------------|------------------------|
| Consumables and media | 0.89                    | 1.13                    | 0.48                   |
|                       | <b>0.89</b>             | <b>1.13</b>             | <b>0.48</b>            |

### Note 9. Financial assets (current)

|                                                                                                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| Investments at fair value through profit or loss (FVTPL):                                                                     |                         |                         |                        |
| Equity Shares (Fully Paid) - Quoted<br>604,628 (March 31, 2016 and April 1, 2015)<br>equity shares of City Union Bank Limited | 9.14                    | 5.73                    | 5.84                   |
| Investment in unquoted mutual funds (Refer note 9.1)                                                                          | 536.34                  | 224.86                  | 239.08                 |
| <b>Total FVTPL investments</b>                                                                                                | <b>545.48</b>           | <b>230.59</b>           | <b>244.92</b>          |
| <b>Aggregate book value of quoted investments</b>                                                                             | <b>9.14</b>             | <b>5.73</b>             | <b>5.84</b>            |
| <b>Aggregate market value of quoted investments</b>                                                                           | <b>9.14</b>             | <b>5.73</b>             | <b>5.84</b>            |
| <b>Aggregate value of unquoted investments</b>                                                                                | <b>536.34</b>           | <b>224.86</b>           | <b>239.08</b>          |

### Other Financial Assets at Amortised Cost

|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Advances recoverable in kind</b>                       |                         |                         |                        |
| Considered good                                           | 0.31                    | 0.23                    | 1.26                   |
| Considered doubtful                                       | -                       | 8.91                    | 8.91                   |
|                                                           | <b>0.31</b>             | <b>9.14</b>             | <b>10.17</b>           |
| Impairment allowance for doubtful advances                | -                       | (8.91)                  | (8.91)                 |
|                                                           | <b>0.31</b>             | <b>0.23</b>             | <b>1.26</b>            |
| Unbilled Revenues                                         | 78.44                   | 68.49                   | 80.28                  |
| Interest accrued on fixed deposits                        | 6.61                    | 7.38                    | 9.11                   |
| Advance interest and Interest accrued on Tax Free Bonds   | 3.04                    | -                       | -                      |
| Other receivables (from Related Parties - refer note 34 ) | 7.18                    | 12.50                   | 11.98                  |
| Insurance claim receivables                               | -                       | 260.00                  | -                      |
| <b>Total Other Financial assets at Amortised Cost</b>     | <b>95.58</b>            | <b>348.60</b>           | <b>102.63</b>          |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 9.1 Investment in unquoted mutual funds**

|                                                                                                     | As at March 31, 2017 |        | As at March 31, 2016 |        | As at April 1, 2015 |        |
|-----------------------------------------------------------------------------------------------------|----------------------|--------|----------------------|--------|---------------------|--------|
|                                                                                                     | No of Units          | Amount | No of Units          | Amount | No of Units         | Amount |
| <b>Unquoted Mutual Funds</b>                                                                        |                      |        |                      |        |                     |        |
| HDFC FMP 1167D January 2016 (1)-Regular-Growth                                                      | 1,00,32,777          | 11.08  | 1,00,32,777          | 10.19  | -                   | -      |
| HDFC FMP 1183D January 2016<br>(1)-Regular-Growth-Series-35                                         | 1,00,06,421          | 11.10  | 1,00,06,421          | 10.18  | -                   | -      |
| Reliance Fixed Horizon Fund-<br>XXX-Series 2-Growth Plan                                            | 80,03,144            | 8.90   | 80,03,144            | 8.14   | -                   | -      |
| IDFC Corporate Bond Fund Regular Plan-Growth                                                        | 60,38,876            | 6.75   | 60,38,876            | 6.15   | -                   | -      |
| ICICI Prudential FMP Series 78-1190                                                                 |                      |        |                      |        |                     |        |
| Days Plan E Regular Plan Cumulative                                                                 | 60,00,000            | 6.67   | 60,00,000            | 6.11   | -                   | -      |
| Franklin India Corporate Bond<br>Opportunities Fund-Growth                                          | 53,04,808            | 8.86   | 53,04,808            | 8.00   | -                   | -      |
| HDFC FMP 453D February 2014<br>(1) Series 29-Regular-Growth                                         | 52,76,064            | 6.84   | 52,76,064            | 6.34   | 52,76,064           | 5.84   |
| Reliance Fixed Horizon Fund<br>-XXVI-Series 2-Growth Plan                                           | 52,40,000            | 6.73   | 52,40,000            | 6.23   | 52,40,000           | 5.76   |
| Franklin India Ultra Short Bond<br>Fund-Super Institutional Plan-Growth                             | 51,02,424            | 11.36  | 51,02,424            | 10.37  | -                   | -      |
| ICICI Prudential FMP Series 72-440                                                                  |                      |        |                      |        |                     |        |
| Days Plan L Direct Plan Cumulative                                                                  | 50,90,326            | 6.63   | 50,90,326            | 6.15   | 50,90,326           | 5.66   |
| Sundaram Fixed Term Plan Hi Regular Growth                                                          | 50,71,262            | 5.62   | 50,71,262            | 5.14   | -                   | -      |
| ICICI Prudential FMP Series 78-1168                                                                 |                      |        |                      |        |                     |        |
| Days Plan-I-Growth                                                                                  | 50,15,595            | 5.56   | 50,15,595            | 5.09   | -                   | -      |
| HDFC FMP 372D Dec 2013 (1)<br>Series 29-Regular-Growth                                              | -                    | -      | 50,00,000            | 6.07   | -                   | -      |
| DSP BlackRock FMP-Series 150- 13M-Reg-Growth                                                        | 50,00,000            | 6.44   | 50,00,000            | 5.97   | 50,00,000           | 5.51   |
| Birla Sun Life Fixed Term Plan -Series KR<br>(1124days)-Gr. Regular (385days+739 days)              | 50,00,000            | 6.42   | 50,00,000            | 5.95   | -                   | -      |
| UTI Fixed Term Income Fund Series XVIII-IV (1127<br>Days)-Growth Plan (366days+761days)             | 50,00,000            | 6.40   | 50,00,000            | 5.92   | -                   | -      |
| Kotak FMP Series 191-Growth                                                                         | 50,00,000            | 5.47   | 50,00,000            | 5.02   | -                   | -      |
| IDFC Corporate Bond FundRegular Plan-Growth                                                         | 49,28,779            | 5.51   | 49,28,779            | 5.01   | -                   | -      |
| HDFC Short Term Plan-Growth                                                                         | 37,12,876            | 12.03  | 37,12,876            | 10.99  | 37,12,876           | 10.04  |
| ICICI Prudential FMP Series 68-369                                                                  |                      |        |                      |        |                     |        |
| Days Plan 1 Regular Plan Cumulative                                                                 | -                    | -      | 30,00,000            | 3.82   | 30,00,000           | 3.53   |
| Birla Sun Life Fixed Term Plan-Series KI<br>(1099days)-Gr.Regular<br>(368days+731days add 02.03.15) | 30,00,000            | 3.86   | 30,00,000            | 3.60   | -                   | -      |
| Reliance Regular Savings Fund-<br>Debt Plan-Growth Plan-Growth Option                               | 28,87,336            | 6.54   | 28,87,336            | 5.96   | -                   | -      |
| Reliance Dynamic Bond Fund-<br>Growth Plan--Growth Option                                           | 26,40,613            | 5.90   | 26,40,613            | 5.30   | 26,40,613           | 5.02   |
| Tata Short Term Bond Fund Regular Plan-Growth                                                       | 26,35,816            | 8.06   | 26,35,816            | 7.42   | -                   | -      |
| Kotak FMP Series 190-Growth                                                                         | 25,00,000            | 2.76   | 25,00,000            | 2.53   | -                   | -      |
| DHFL Pramerica Short Maturity Fund-Growth                                                           | 21,90,382            | 6.53   | 21,90,382            | 5.96   | -                   | -      |
| Birla Sun Life Dynamic Bond Fund-<br>Retail-Growth-Regular Plan                                     | 20,22,637            | 5.87   | 20,22,637            | 5.33   | -                   | -      |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

|                                                   | As at March 31, 2017 |        | As at March 31, 2016 |        | As at April 1, 2015 |        |
|---------------------------------------------------|----------------------|--------|----------------------|--------|---------------------|--------|
|                                                   | No of Units          | Amount | No of Units          | Amount | No of Units         | Amount |
| DHFL Pramerica Short Maturity Fund-Growth         | 19,96,614            | 5.95   | 19,96,614            | 5.43   | -                   | -      |
| Reliance Short Term Fund-Growth                   |                      |        |                      |        |                     |        |
| Plan-Growth Option                                | 19,17,994            | 5.91   | 19,17,994            | 5.42   | 19,17,994           | 4.83   |
| ICICI Prudential Short Term-                      |                      |        |                      |        |                     |        |
| Regular Plan-Growth Option                        | 17,18,266            | 5.86   | 17,18,266            | 5.32   | -                   | -      |
| IDFC Super Saver Income Fund-                     |                      |        |                      |        |                     |        |
| Investment Plan-Growth-(Regular Plan)             | 14,65,936            | 5.93   | 14,65,936            | 5.26   | -                   | -      |
| IDFC Super Saver Income Fund-                     |                      |        |                      |        |                     |        |
| Investment Plan-Growth-(Regular Plan)             | 12,93,381            | 5.23   | 12,93,381            | 4.63   | -                   | -      |
| HDFC High Interest Fund-Short Term Plan-Growth    | 12,48,546            | 4.08   | 12,48,546            | 3.70   | -                   | -      |
| SBI Magnum Income Fund-Regular Plan-Growth        | 11,84,059            | 4.78   | 11,84,059            | 4.24   | -                   | -      |
| Birla Sun Life Treasury Optimizer                 |                      |        |                      |        |                     |        |
| Plan-Growth-Regular Plan                          | 1,97,898             | 4.12   | 1,97,898             | 3.73   | 2,53,237            | 4.40   |
| Kotak Corporate Bond Fund                         |                      |        |                      |        |                     |        |
| Standard Growth (Regular Plan)                    | 46,607               | 9.96   | 46,607               | 9.13   | -                   | -      |
| Axis Banking Debt Fund-Growth (BDGPG)             | 82,159               | 5.47   | 36,547               | 5.06   | 1,96,203            | 25.08  |
| Kotak Low Duration Fund Standard                  |                      |        |                      |        |                     |        |
| Growth (Regular Plan)                             | 82,159               | 16.29  | -                    | -      | -                   | -      |
| IDFC Banking Debt Fund-Regular Plan-Growth        | 49,57,187            | 6.91   | -                    | -      | -                   | -      |
| Sundaram Fixed Term Plan HMDirect Growth          | 1,00,00,000          | 10.76  | -                    | -      | -                   | -      |
| Kotak FMP Series 196 Direct-Growth                | 2,00,00,000          | 21.24  | -                    | -      | -                   | -      |
| Reliance Fixed Horizon Fund-XXXI-                 |                      |        |                      |        |                     |        |
| Series 7-Direct Growth Plan                       | 2,00,00,000          | 21.19  | -                    | -      | -                   | -      |
| ICICI Prudential FMP Series 79-1120               |                      |        |                      |        |                     |        |
| Days Plan J Direct Plan Cumulative                | 89,10,560            | 9.40   | -                    | -      | -                   | -      |
| DHFL Pramerica Fixed Duration                     |                      |        |                      |        |                     |        |
| Fund-Series 29-Direct Plan-Growth                 | 1,00,000             | 10.57  | -                    | -      | -                   | -      |
| Birla Sun Life Fixed Term Plan-Series             |                      |        |                      |        |                     |        |
| NR (1099 days)-Gr.Direct                          | 2,00,00,000          | 21.08  | -                    | -      | -                   | -      |
| Reliance Fixed Horizon Fund-XXXI-Series 8 -Direct |                      |        |                      |        |                     |        |
| Growth Plan                                       | 2,00,00,000          | 21.11  | -                    | -      | -                   | -      |
| Sundaram Fixed Term Plan HS Direct Growth         | 50,01,918            | 5.26   | -                    | -      | -                   | -      |
| Birla Sun Life Fixed Term Plan-Series             |                      |        |                      |        |                     |        |
| NT (1099 days)-Gr.Direct                          | 2,00,00,000          | 21.02  | -                    | -      | -                   | -      |
| DHFL Pramerica Fixed Duration Fund                |                      |        |                      |        |                     |        |
| -Series 31-Direct Plan-Growth                     | 1,00,251             | 10.54  | -                    | -      | -                   | -      |
| Reliance Fixed Horizon Fund-XXXI-                 |                      |        |                      |        |                     |        |
| Series 9 -Direct Growth Plan                      | 2,00,00,000          | 21.02  | -                    | -      | -                   | -      |
| DSP BlackRock Money Manager Fund-Direct\          |                      |        |                      |        |                     |        |
| Plan-Growth                                       | 42,083               | 9.40   | -                    | -      | -                   | -      |
| SBI Debt Fund Series-B-43 (1100 Days)-            |                      |        |                      |        |                     |        |
| Direct Growth                                     | 1,00,00,000          | 10.47  | -                    | -      | -                   | -      |
| ICICI Prudential FMP Series 79-1104               |                      |        |                      |        |                     |        |
| Days Plan P Direct Plan Cumulative                | 1,00,00,000          | 10.42  | -                    | -      | -                   | -      |
| Reliance Floating Rate Fund-Short                 |                      |        |                      |        |                     |        |
| Term Plan-Direct Growth Plan                      | 24,89,306            | 6.55   | -                    | -      | -                   | -      |
| Birla Sun Life Cash Plus-Growth-Direct Plan       | 4,21,076             | 11.00  | -                    | -      | -                   | -      |
| HDFC Floating Rate Income Fund-                   |                      |        |                      |        |                     |        |
| Short Term Plan-Wholesale Option-Growth           | 57,27,332            | 16.19  | -                    | -      | -                   | -      |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                                                                                           | As at March 31, 2017 |               | As at March 31, 2016 |               | As at April 1, 2015 |               |
|-------------------------------------------------------------------------------------------|----------------------|---------------|----------------------|---------------|---------------------|---------------|
|                                                                                           | No of Units          | Amount        | No of Units          | Amount        | No of Units         | Amount        |
| Tata Ultra Short Term Fund Regular Plan-Growth                                            | 77,597               | 19.13         | -                    | -             | -                   | -             |
| Tata Money Market Fund Regular Plan-Growth                                                | 42,743               | 10.91         | -                    | -             | -                   | -             |
| SBI Ultra Short Term Debt Fund-<br>Regular Plan-Growth                                    | 50,927               | 10.70         | -                    | -             | -                   | -             |
| UTI Treasury Advantage Fund-Institutional Plan<br>(Daily Dividend Option)-Reinvestment    | -                    | -             | -                    | -             | 61,140              | 6.13          |
| IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend                                          | -                    | -             | -                    | -             | 33,90,087           | 3.51          |
| HDFC High Interest Fund-Short Term Plan-Dividend                                          | -                    | -             | -                    | -             | 31,64,683           | 3.36          |
| Axis Short Term Fund-Institutional<br>Regular Dividend Reinvestment                       | -                    | -             | -                    | -             | 43,82,576           | 4.45          |
| Templeton India Low Duration Fund-<br>Monthly Dividend Reinvestment                       | -                    | -             | -                    | -             | 93,19,116           | 9.78          |
| HDFC FMP 372D Dec 2013-1-Regular-GR                                                       | -                    | -             | -                    | -             | 50,00,000           | 5.60          |
| Birla Sun Life Fixed Term Plan-<br>Series KI (1099days)-Gr.Regular                        | -                    | -             | -                    | -             | 30,00,000           | 3.31          |
| IDFC Fixed Term Plan Series 77<br>Regular Plan -Growth (399 Days)                         | -                    | -             | -                    | -             | 40,00,000           | 4.41          |
| Birla Sun Life Fixed Term Plan -Series<br>KR (385 days)-Gr. Regular                       | -                    | -             | -                    | -             | 50,00,000           | 5.50          |
| IDBI FMP-Series IV-387 Days<br>(March 2014)-G Regular Plan-Growth                         | -                    | -             | -                    | -             | 20,00,000           | 2.20          |
| UTI Fixed Term Income Fund Series<br>XVIII-IV (366 Days)-Growth Plan                      | -                    | -             | -                    | -             | 50,00,000           | 5.46          |
| ICICI Prudential Banking & PSU Debt<br>Fund-Weekly Dividend Reinvestment                  | -                    | -             | -                    | -             | 2,10,71,513         | 21.51         |
| Birla Sun Life Treasury Optimizer Plan-<br>Monthly Dividend-Regular Plan-<br>Reinvestment | -                    | -             | -                    | -             | 7,15,923            | 7.49          |
| IDFC Super Saver Income Fund-Short<br>Term Plan-Monthly Dividend-(Regular Plan)           | -                    | -             | -                    | -             | 41,32,853           | 4.22          |
| DWS Short Maturity Fund-Growth                                                            | -                    | -             | -                    | -             | 21,90,382           | 5.51          |
| Reliance Money Manager Fund-Growth<br>Plan-Growth Option                                  | -                    | -             | -                    | -             | 94,357              | 18.06         |
| Baroda Pioneer Liquid Fund-Plan A<br>Growth                                               | -                    | -             | -                    | -             | 62,447              | 10.02         |
| ICICI Prudential Liquid-Regular Plan-<br>Growth                                           | -                    | -             | -                    | -             | 2,41,825            | 5.00          |
| SBI-SHF-Ultra Short Term Debt Fund-<br>Regular Plan-Daily Dividend                        | -                    | -             | -                    | -             | 2                   | 0.00          |
| Reliance Fixed Horizon Fund-XXV-<br>Series 19-Growth Plan                                 | -                    | -             | -                    | -             | 80,48,833           | 8.93          |
| TATA Fixed Maturity Plan Series 46<br>Scheme M-Plan A-Growth                              | -                    | -             | -                    | -             | 50,00,000           | 5.52          |
| Kotak FMP Series 145-Growth                                                               | -                    | -             | -                    | -             | 76,08,565           | 8.36          |
| DWS Short Maturity Fund-Growth                                                            | -                    | -             | -                    | -             | 19,96,614           | 5.03          |
| Franklin India Short Term Income<br>Plan-Retail Plan-Growth                               | -                    | -             | -                    | -             | 34,974              | 10.05         |
| <b>Total FVTPL investments</b>                                                            |                      | <b>536.34</b> |                      | <b>224.86</b> |                     | <b>239.08</b> |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 10. Trade Receivables

| Trade and other receivables (current)                  | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|--------------------------------------------------------|-------------------------|-------------------------|------------------------|
| Trade receivables                                      | 505.30                  | 524.45                  | 463.01                 |
| Receivables from Joint Ventures (Refer note 34)        | 0.14                    | 0.02                    | 0.14                   |
| Receivables from other related parties (Refer note 34) | 218.34                  | 208.44                  | 210.13                 |
| <b>Total Trade and other receivables</b>               | <b>723.78</b>           | <b>732.91</b>           | <b>673.28</b>          |

#### Break-up for security details:

##### Trade receivables

|                                |               |               |               |
|--------------------------------|---------------|---------------|---------------|
| Secured, considered good       | -             | -             | -             |
| Unsecured, considered good     | 729.16        | 737.77        | 677.99        |
| Unsecured, considered Doubtful | 44.98         | 89.71         | 71.99         |
|                                | <b>774.14</b> | <b>827.48</b> | <b>749.98</b> |

##### Impairment allowance (allowance for bad and doubtful debts)

|                                |                |                |                |
|--------------------------------|----------------|----------------|----------------|
| Unsecured, considered good     | (5.38)         | (4.86)         | (4.71)         |
| Unsecured, considered Doubtful | (44.98)        | (89.71)        | (71.99)        |
|                                | <b>(50.36)</b> | <b>(94.57)</b> | <b>(76.70)</b> |

|                                |               |               |               |
|--------------------------------|---------------|---------------|---------------|
| <b>Total trade receivables</b> | <b>723.78</b> | <b>732.91</b> | <b>673.28</b> |
|--------------------------------|---------------|---------------|---------------|

Trade or other receivable due from companies in which the Company's director are directors/members.

| Name of the Customer                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-------------------------------------------|-------------------------|-------------------------|------------------------|
| Sun Direct TV Private Limited             | 130.37                  | 123.50                  | 118.67                 |
| Sun Distribution Services Private Limited | 76.72                   | 84.94                   | 91.46                  |
| Kal Media Services Private limited        | 11.25                   | -                       | -                      |

For terms and conditions relating to related party receivables, Refer note 34.

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

### Note 11.1 Cash and Cash Equivalents

|                                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Balances with banks:</b>                                 |                         |                         |                        |
| – On current accounts                                       | 172.41                  | 37.01                   | 40.99                  |
| – Cheques on hand                                           | 39.14                   | 108.12                  | 0.02                   |
| – Deposits with original maturity of less than three months | 443.58                  | 407.76                  | 352.18                 |
| Cash on hand                                                | 0.03                    | 0.04                    | 0.02                   |
|                                                             | <b>655.16</b>           | <b>552.93</b>           | <b>393.21</b>          |

### Note 11.2 . Bank Balances other than Cash and Cash Equivalents

|                                                                                 | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Balances with banks:</b>                                                     |                         |                         |                        |
| – Deposits with original maturity of more than 3 months but less than 12 months | 82.92                   | 234.47                  | 297.05                 |
| – Unpaid dividend account                                                       | 0.36                    | 0.39                    | 0.26                   |
|                                                                                 | <b>83.28</b>            | <b>234.86</b>           | <b>297.31</b>          |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note - 12.1 Equity Share Capital**

|                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Authorised Capital</b>                     |                         |                         |                        |
| 45,00,00,000 Equity Shares of Rs.5.00 /- each | 225.00                  | 225.00                  | 225.00                 |

**Issued, Subscribed and Paid-up Capital**

|                                                                                                                                                                                                              |               |               |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| 39,40,84,620 Equity Shares of Rs.5 /- each fully paid up (March 31, 2016: 39,40,84,620 Equity Shares of Rs.5 /- each fully paid up (April 1, 2015: 39,40,84,620 Equity Shares of Rs.5 /- each fully paid up) | 197.04        | 197.04        | 197.04        |
|                                                                                                                                                                                                              | <b>197.04</b> | <b>197.04</b> | <b>197.04</b> |

**(i) Reconciliation of the number of shares outstanding:**

|                                           |                     |                     |                     |
|-------------------------------------------|---------------------|---------------------|---------------------|
| At the beginning of the year              | 39,40,84,620        | 39,40,84,620        | 39,40,84,620        |
| Issued during the year                    | -                   | -                   | -                   |
| <b>Outstanding at the end of the year</b> | <b>39,40,84,620</b> | <b>39,40,84,620</b> | <b>39,40,84,620</b> |

**(ii) Term/Rights attached to Equity Shares**

The Company has one class of equity shares having a face value of Rs.5.00 each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2017, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 10.00 /- share (March 31, 2016: Rs.15.50 /- share)

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

**(iii) Details of Shareholders holding more than 5 percent in the Company:**

| Name of the shareholders | As at March 31, 2017 |                                  | As at March 31, 2016 |                                  |
|--------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
|                          | No. of Shares        | % against total number of shares | No. of Shares        | % against total number of shares |
| Mr. Kalanithi Maran      | 29,55,63,457         | 75.00%                           | 29,55,63,457         | 75.00%                           |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 12.2 Other equity

|                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------|-------------------------|-------------------------|------------------------|
| Securities Premium Reserve | 471.82                  | 471.82                  | 471.82                 |
| General Reserve            | 483.80                  | 483.80                  | 483.80                 |
| Retained earnings          | 2,869.09                | 2,364.97                | 2,230.39               |
|                            | <b>3,824.71</b>         | <b>3,320.59</b>         | <b>3,186.01</b>        |

### Note 12.3 Distribution made and proposed

|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Cash dividends on Equity shares declared and paid:</b> |                         |                         |                        |
| Interim dividends                                         | 394.08                  | 610.83                  | 443.35                 |
| Tax on interim dividends                                  | 80.23                   | 124.35                  | 85.98                  |
|                                                           | <b>474.31</b>           | <b>735.18</b>           | <b>529.33</b>          |

### Note 13. Other Financial Liabilities (non-current)

|                                                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Other financial liabilities at amortised cost</b>                          |                         |                         |                        |
| Interest free deposits from customers                                         | 6.68                    | 6.32                    | 3.81                   |
| <b>Total other financial liabilities at amortised cost</b>                    | <b>6.68</b>             | <b>6.32</b>             | <b>3.81</b>            |
| <b>Other financial liabilities at fair value through profit or loss</b>       |                         |                         |                        |
| Financial guarantee liability                                                 | 0.82                    | -                       | -                      |
| <b>Total other financial liabilities at fair value through profit or loss</b> | <b>0.82</b>             | <b>-</b>                | <b>-</b>               |
| <b>Total other financial liabilities</b>                                      | <b>7.50</b>             | <b>6.32</b>             | <b>3.81</b>            |

### Note 14. Deferred tax liabilities

|                                                                                                                         | <u>Balance Sheet</u> |                   |                  | <u>Statement of Profit and Loss</u> |                   |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|------------------|-------------------------------------|-------------------|
| Nature - (Liability) / Asset                                                                                            | March 31,<br>2017    | March 31,<br>2016 | April 1,<br>2015 | March 31,<br>2017                   | March 31,<br>2016 |
| <b>Deferred Tax Liabilities / Asset</b>                                                                                 |                      |                   |                  |                                     |                   |
| Tax effect of provision for Impairment allowance, allowance for bad and doubtful debts / movie advance and other assets | (37.07)              | (49.77)           | (40.35)          | 12.70                               | (9.42)            |
| Sec. 40(a)(ia) disallowances                                                                                            | (7.61)               | (6.64)            | (4.22)           | (0.97)                              | (2.42)            |
| Accelerated depreciation for tax purposes                                                                               | 80.58                | 72.40             | 65.00            | 8.18                                | 7.40              |
| Fair valuation of financial assets                                                                                      | 19.42                | 5.94              | 3.40             | 13.48                               | 2.54              |
| Others                                                                                                                  | 0.23                 | -                 | -                | 0.23                                | -                 |
| <b>Deferred Tax expenses / (income)</b>                                                                                 |                      |                   |                  | <b>33.62</b>                        | <b>(1.90)</b>     |
| <b>Net Deferred Tax Liabilities</b>                                                                                     | <b>55.55</b>         | <b>21.93</b>      | <b>23.83</b>     |                                     |                   |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

| <b>Reconciliation of Deferred Tax Liabilities (net)</b>              | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|----------------------------------------------------------------------|-----------------------|-----------------------|
| Opening balance                                                      | 21.93                 | 23.83                 |
| Tax (Income)/Expense during the period recognised in Profit and Loss | 34.21                 | (1.90)                |
| Tax (Income)/Expense during the period recognised in OCI             | (0.59)                | -                     |
| <b>Closing balance</b>                                               | <b>55.55</b>          | <b>21.93</b>          |

Also refer Note 29 for Income tax related disclosures

**15. Trade payables**

|                                                   | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|---------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Trade payables                                    | 39.39                           | 28.99                           | 26.78                          |
| Trade payables to related parties (refer note 34) | 10.31                           | 9.27                            | 10.68                          |
|                                                   | <b>49.70</b>                    | <b>38.26</b>                    | <b>37.46</b>                   |

There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

**Terms and conditions of the above financial liabilities:**

Trade payables are non interest bearing and are normally settled within due dates

For terms and conditions with related parties, refer to Note 34

**Note 16. Other Financial Liabilities (current)**

|                                                                               | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>Other financial liabilities at amortised cost</b>                          |                                 |                                 |                                |
| Payable to employees                                                          | 15.50                           | 13.97                           | 6.69                           |
| Director's Remuneration Payable                                               | 129.78                          | 116.91                          | 96.51                          |
| Unclaimed dividends                                                           | 0.36                            | 0.39                            | 0.26                           |
| Interest free deposits from customers                                         | 4.03                            | 4.51                            | 4.05                           |
| Payable for capital goods suppliers                                           | 2.40                            | 2.40                            | 1.87                           |
| Retention Money Payable                                                       | 0.21                            | 0.48                            | 0.49                           |
| <b>Total other financial liabilities at amortised cost</b>                    | <b>152.28</b>                   | <b>138.66</b>                   | <b>109.87</b>                  |
| <b>Other financial liabilities at fair value through profit or loss</b>       |                                 |                                 |                                |
| Financial Guarantee Liability                                                 | 2.09                            | -                               | -                              |
| <b>Total other financial liabilities at fair value through profit or loss</b> | <b>2.09</b>                     | <b>-</b>                        | <b>-</b>                       |
| <b>Total other financial liabilities</b>                                      | <b>154.37</b>                   | <b>138.66</b>                   | <b>109.87</b>                  |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 17. Government Grants

|                                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------------|-------------------------|-------------------------|------------------------|
| Opening balance                              | 8.91                    | 10.77                   | -                      |
| Received during the year                     | -                       | -                       | -                      |
| Released to the statement of profit and loss | (1.47)                  | (1.86)                  | -                      |
| Closing balance                              | <b>7.44</b>             | <b>8.91</b>             | <b>10.77</b>           |
| Current                                      | 1.18                    | 1.47                    | 1.86                   |
| Non-current                                  | 6.26                    | 7.44                    | 8.91                   |
|                                              | <b>7.44</b>             | <b>8.91</b>             | <b>10.77</b>           |

Government grants have been received for import of Property, plant & equipment ( PP&E ) in the nature of export promotion scheme. There are no unfulfilled conditions or contingencies attached to these grants. The company is in the process of making necessary applications to obtain related redemption letters from the DGFT.

### Note 18. Provisions

|                                                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Short-term provisions</b>                         |                         |                         |                        |
| Provision for compensated absences                   | 7.64                    | 6.90                    | 2.89                   |
| Provision for gratuity (Refer note 32)               | 0.51                    | -                       | -                      |
| Provision for litigations and claims (Refer note 45) | 7.24                    | 4.96                    | 3.88                   |
| Provision for FM License Fees (Refer note 45)        | 4.10                    | 2.05                    | -                      |
| <b>Total Provisions</b>                              | <b>19.49</b>            | <b>13.91</b>            | <b>6.77</b>            |

### Note 19. Other Current Liabilities

|                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------|-------------------------|-------------------------|------------------------|
| Deferred revenue                       | 8.86                    | 8.06                    | 8.60                   |
| Statutory Dues                         | 6.46                    | 7.12                    | 4.90                   |
| Advances from customers                | 18.70                   | 21.46                   | 20.50                  |
| Other liabilities                      | 0.01                    | 0.11                    | 0.99                   |
| <b>Total Other Current Liabilities</b> | <b>34.03</b>            | <b>36.75</b>            | <b>34.99</b>           |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 20. Revenue from Operations**

|                                                     | Year Ended      |                 |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | March 31, 2017  | March 31, 2016  |
| <b>Sale of Services</b>                             |                 |                 |
| Income from Advertising and Sale of Broadcast slots | 1,271.64        | 1,321.09        |
| Income from Subscription                            | 1,115.88        | 956.10          |
| Income from movie distribution                      | 5.00            | 7.43            |
| Income from content trading                         | 14.74           | 14.29           |
| Income from Indian Premier League                   | 150.99          | 96.30           |
|                                                     | <b>2,558.25</b> | <b>2,395.21</b> |

**Note 21. Other Income**

|                                                         | March 31, 2017 | March 31, 2016 |
|---------------------------------------------------------|----------------|----------------|
| Finance income (measured at Amortised cost)             |                |                |
| - on bank deposits                                      | 45.63          | 61.07          |
| - on tax free bonds                                     | 9.09           | -              |
| - on trade receivables                                  | 10.51          | 9.51           |
| Dividend income on current investments                  | 0.55           | 0.65           |
| Gain on redemption of investments                       | 29.82          | 10.82          |
| Fair value gain on financial instruments at FVTPL (net) | 38.95          | 7.00           |
| Gain on foreign exchange fluctuation (net)              | -              | 4.38           |
| Export incentives (government grants) (Refer Note 17)   | 1.47           | 1.86           |
| Liabilities / provisions not required written back      | 1.51           | 6.08           |
| Rental Income                                           | 4.00           | 3.43           |
| Business Support Services                               | 1.69           | 2.25           |
| Miscellaneous Income                                    | 2.33           | 0.49           |
|                                                         | <b>145.55</b>  | <b>107.54</b>  |

Government grants have been received for import of Property, plant & equipment ( PP&E ) in the nature of export promotion scheme. There are no unfulfilled conditions or contingencies attached to these grants. The company is in the process of making necessary applications to obtain related redemption letters from the DGFT.

**Note 22. Operating expenses**

|                                | March 31, 2017 | March 31, 2016 |
|--------------------------------|----------------|----------------|
| Telecast costs                 | 30.18          | 28.98          |
| Program production expenses    | 47.81          | 52.38          |
| Cost of program rights         | 87.02          | 50.96          |
| Consumables and media expensed | 0.07           | 0.28           |
| Pay channel service charges    | 30.73          | 25.44          |
| Licenses                       | 8.92           | 8.62           |
| Franchisee fees                | 85.48          | 85.05          |
| Others                         | 11.78          | 14.83          |
|                                | <b>301.99</b>  | <b>266.54</b>  |

Cost of Revenue excludes amortisation of film production cost, distribution and related rights which is included in Note - 26

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 23. Employee Benefits Expenses

|                                                 | March 31, 2017 | March 31, 2016 |
|-------------------------------------------------|----------------|----------------|
| Salaries, wages and bonus                       | 86.10          | 80.04          |
| Gratuity expense (Refer note 32)                | 1.51           | 0.98           |
| Contributions to provident fund and other funds | 7.94           | 7.78           |
| Staff welfare expense                           | 3.69           | 3.18           |
| Directors' remuneration                         |                |                |
| - Salary                                        | 27.25          | 27.10          |
| - Ex-gratia / Bonus                             | 129.78         | 116.91         |
|                                                 | <b>256.27</b>  | <b>235.99</b>  |

### Note 24. Other Expenses

|                                                                                                                | March 31, 2017 | March 31, 2016 |
|----------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Legal and professional fees                                                                                    | 92.46          | 68.81          |
| (Refer details below for payments to auditors)                                                                 |                |                |
| Travel and conveyance                                                                                          | 23.78          | 7.39           |
| Rent                                                                                                           | 10.93          | 15.05          |
| Electricity expense                                                                                            | 11.10          | 11.51          |
| Power and fuel                                                                                                 | 1.97           | 3.22           |
| Repairs and maintenance                                                                                        |                |                |
| - Building                                                                                                     | 6.54           | 4.27           |
| - Plant and machinery                                                                                          | 12.64          | 10.32          |
| - Others                                                                                                       | 5.62           | 8.40           |
| Communication                                                                                                  | 1.67           | 1.68           |
| Utilities                                                                                                      | 11.86          | 11.75          |
| Insurance                                                                                                      | 0.96           | 1.03           |
| Bad debts / Input credit written off                                                                           | 77.20          | 2.95           |
| Impairment allowance, allowance for bad and doubtful debts/movie advance and other advances (net of reversals) | (51.21)        | 24.10          |
| Provisions for claims and litigations                                                                          | 2.28           | 1.08           |
| Expenditure on Corporate Social Responsibility                                                                 | 15.67          | 9.60           |
| Loss on foreign exchange fluctuation (net)                                                                     | 2.80           | -              |
| Loss on sale of Property, plant and equipment (PP&E) (net) / assets scrapped                                   | 1.74           | 1.42           |
| Rates and taxes                                                                                                | 3.56           | 3.71           |
| Miscellaneous expenses                                                                                         | 3.51           | 3.02           |
|                                                                                                                | <b>235.08</b>  | <b>189.31</b>  |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Payments to Auditor**

|                           | March 31, 2017 | March 31, 2016 |
|---------------------------|----------------|----------------|
| <b>As Auditor:</b>        |                |                |
| Audit fee                 | 0.39           | 0.39           |
| Limited review            | 0.18           | 0.18           |
| Service Tax               | 0.13           | 0.08           |
| <b>In other capacity:</b> |                |                |
| Other services            | 0.37           | 0.02           |
| Reimbursement of expenses | 0.01           | 0.01           |
|                           | <b>1.08</b>    | <b>0.68</b>    |

**Corporate Social Responsibility (CSR) Expenditure**

|                                                                  | March 31, 2017 | March 31, 2016        |              |
|------------------------------------------------------------------|----------------|-----------------------|--------------|
| Gross amount required to be spent by the Company during the year | 23.55          | 21.37                 |              |
| <b>Amount Spent during the year ending on March 31, 2017:</b>    | <b>Paid</b>    | <b>Yet to be paid</b> | <b>Total</b> |
| Construction/acquisition of any asset                            | -              | -                     | -            |
| On purposes other than above                                     | 15.67          | -                     | 15.67        |
|                                                                  | <b>15.67</b>   | <b>-</b>              | <b>15.67</b> |
| Contribution made to Related Parties:                            | <b>8.40</b>    |                       | <b>8.40</b>  |
| <b>Amount Spent during the year ending on March 31, 2016:</b>    | <b>Paid</b>    | <b>Yet to be paid</b> | <b>Total</b> |
| Construction/acquisition of any asset                            | -              | -                     | -            |
| On purposes other than above                                     | 9.60           | -                     | 9.60         |
|                                                                  | <b>9.60</b>    | <b>-</b>              | <b>9.60</b>  |
| Contribution made to Related Parties:                            | <b>4.55</b>    |                       | <b>4.55</b>  |

**Note 25. Selling expenses**

|                                      | March 31, 2017 | March 31, 2016 |
|--------------------------------------|----------------|----------------|
| Advertisement and publicity expenses | 25.76          | 4.79           |
| Marketing expenses                   | 0.23           | 0.64           |
| Sales commission expenses            | 1.95           | 2.00           |
|                                      | <b>27.94</b>   | <b>7.43</b>    |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 26. Depreciation and amortization expense

|                                                              | March 31, 2017 | March 31, 2016 |
|--------------------------------------------------------------|----------------|----------------|
| Depreciation of Property, Plant and Equipment (Refer note 3) | 53.50          | 72.33          |
| Depreciation on Investment Properties (Refer note 4)         | 0.91           | 0.94           |
| Amortization of intangible assets (Refer note 5)             | 336.73         | 411.75         |
|                                                              | <b>391.14</b>  | <b>485.02</b>  |

### Note 27. Finance Costs

|                             | March 31, 2017 | March 31, 2016 |
|-----------------------------|----------------|----------------|
| Interest                    |                |                |
| - on loans against deposits | 0.15           | 1.76           |
| - others                    | 0.88           | 0.43           |
|                             | <b>1.03</b>    | <b>2.19</b>    |

### Note 28. Exceptional items

|                                             | March 31, 2017 | March 31, 2016 |
|---------------------------------------------|----------------|----------------|
| Impairment of Property, Plant and Equipment | -              | 242.03         |
| (A)                                         | -              | <b>242.03</b>  |
| Insurance claim against damaged assets      | -              | 260.00         |
| (B)                                         | -              | <b>260.00</b>  |
| Exceptional items (Net)                     | (B) - (A)      | <b>17.97</b>   |

During the previous year, Company's aircraft sustained damage due to floods in Chennai. The determination of the financial effects thereof was pending as of March 31, 2016 in view of highly technical nature of the assessment involved. Subsequently in the current year, upon completion of such technical assessment, this aircraft has been assessed as being beyond economic repair and declared a total loss. Accordingly, the carrying value of the aircraft as at the date of the incident of Rs. 242.03 crores has been recorded as impairment loss in the previous year. The Company has recognised insurance claim of Rs. 260 crores received from the insurers. The impairment loss on account of the damage to the aircraft and related proceeds receivable from the insurance company, as discussed above, have been recorded and disclosed as exceptional item.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 29. Income Tax Expense**

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

**Statement of Profit or loss section**

|                                                                        | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Current Tax:</b>                                                    |                              |                              |
| Current income tax charge                                              | 476.73                       | 466.50                       |
| <b>Deferred Tax:</b>                                                   |                              |                              |
| Relating to the origination and reversal of temporary differences      | 34.21                        | (1.95)                       |
| <b>Income Tax expense reported in the statement of profit and loss</b> | <b>510.94</b>                | <b>464.55</b>                |

**Other Comprehensive Income(OCI) section**

Deferred tax related to items recognised in OCI during in the year:

|                                                          | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|----------------------------------------------------------|------------------------------|------------------------------|
| Net loss/(gain) on remeasurement of defined benefit plan | 0.59                         | (0.04)                       |
| <b>Income Tax charged to OCI</b>                         | <b>0.59</b>                  | <b>(0.04)</b>                |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017 :

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.608%) as follows:

|                                                                                                           | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Accounting Profit before income tax</b>                                                                | <b>1,490.35</b>              | <b>1,334.24</b>              |
| Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (2016: 34.608%) | 515.78                       | 461.75                       |
| <b>Effects of:</b>                                                                                        |                              |                              |
| Gain/Loss on investments taxed at the tax rate applicable on capital gains/losses                         | (5.16)                       | (1.87)                       |
| Income exempted from tax                                                                                  | (3.64)                       | (1.88)                       |
| Non-deductible expenses for tax purposes                                                                  | 2.79                         | 4.27                         |
| Others                                                                                                    | 1.17                         | 2.28                         |
| <b>Net effective income tax</b>                                                                           | <b>510.94</b>                | <b>464.55</b>                |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 30. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

|                                     | March 31, 2017 | March 31, 2016 |
|-------------------------------------|----------------|----------------|
| Profit after tax (Rs. in crores)    | 979.41         | 869.69         |
| Weighted average number of shares   |                |                |
| - Basic                             | 39,40,84,620   | 39,40,84,620   |
| - Diluted                           | 39,40,84,620   | 39,40,84,620   |
| Earning per share of Rs.5.00/- each |                |                |
| - Basic                             | 24.85          | 22.07          |
| - Diluted                           | 24.85          | 22.07          |

### Note 31. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone Financial Statements:

#### Amortisation of intangibles

Acquired Satellite Rights for the broadcast of feature films and other long-form programming such as multi-episode television serials are stated at cost. Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc., and accordingly cost related to film is fully expensed on the date of first telecast of the film and the cost related to program broadcasting rights / multi episodes series are amortized based on the telecasted episodes.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Provision for taxes**

The Company's tax expense for the year is the sum of the total current and deferred tax charges. The calculation of the total tax expense necessarily involves a degree of estimation and judgement in respect of certain items. A deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in note 32.

**Note 32. 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 fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

**Statement of Profit and Loss**

| Particulars                                                                                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Recognized in profit or loss:                                                                              |                              |                              |
| Current service cost                                                                                       | 1.66                         | 1.06                         |
| Net Interest income on benefit obligation / assets                                                         | (0.15)                       | (0.08)                       |
| Recognized in other comprehensive income:                                                                  |                              |                              |
| Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions | 1.80                         | -                            |
| Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions   | 1.65                         | (0.19)                       |
| Experience adjustments                                                                                     | (1.91)                       | 0.09                         |
| Return on Plan Assets (Greater) / Less than Discount rate                                                  | 0.03                         | (0.01)                       |
| <b>Recognized in other comprehensive income</b>                                                            | <b>1.57</b>                  | <b>(0.11)</b>                |
| <b>Net benefit expense recognised in statement of profit and loss account</b>                              | <b>1.51</b>                  | <b>0.98</b>                  |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Particulars                     | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------|-------------------------|-------------------------|
| Defined benefit obligation      | 11.93                   | 8.82                    |
| Fair value of plan assets       | 11.42                   | 9.95                    |
| <b>Plan Liability / (Asset)</b> | <b>0.51</b>             | <b>(1.13)</b>           |

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

| Particulars                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|-------------------------|
| Opening defined benefit obligation         | 8.82                    | 8.04                    |
| Current service cost                       | 1.66                    | 1.06                    |
| Interest cost                              | 0.68                    | 0.60                    |
| Remeasurement gains/(losses) on obligation | 1.53                    | (0.10)                  |
| Benefits paid                              | (0.76)                  | (0.78)                  |
| Closing defined benefit obligation         | 11.93                   | 8.82                    |

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

| Particulars                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Fair value of planned assets at the beginning of the year | 9.95                    | 8.13                    |
| Expected return on plan assets                            | 0.82                    | 0.68                    |
| Contributions                                             | 1.44                    | 1.90                    |
| Benefits paid                                             | (0.76)                  | (0.78)                  |
| Remeasurement gains/(losses) on plan assets               | (0.03)                  | 0.02                    |
| Fair value of plan assets at the end of the year          | 11.42                   | 9.95                    |

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

| Particulars                       | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------|-------------------------|-------------------------|
| Discount rate                     | 6.72%                   | 8.00%                   |
| Expected rate of return on assets | 8.00%                   | 8.00%                   |
| Employee turnover                 | 16.00%                  | 2.00%                   |

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The major categories of plan assets of the fair value of the total plan assets are as follows:

|                             | <b>Gratuity plan</b>  |                       |                      |
|-----------------------------|-----------------------|-----------------------|----------------------|
|                             | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
| <b>Investments details:</b> |                       |                       |                      |
| Funds with LIC              | 11.42                 | 9.94                  | 8.13                 |
| <b>Total</b>                | <b>11.42</b>          | <b>9.94</b>           | <b>8.13</b>          |

The Company contributes all ascertained liabilities towards gratuity to the Sun TV Network Limited Employees Group Gratuity Trust. Trustees administer contributions made to the trust. As of March 31, 2017, March 31, 2016 and April 1, 2015, the plan assets have been primarily invested in insurer managed funds.

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

**Gratuity plan:**

| Assumptions                                 | <b>March 31, 2017</b> |             |                                |             |
|---------------------------------------------|-----------------------|-------------|--------------------------------|-------------|
|                                             | <b>Discount rate</b>  |             | <b>Future salary increases</b> |             |
|                                             | 1% increase           | 1% decrease | 1% increase                    | 1% decrease |
| Sensitivity Level                           |                       |             |                                |             |
| <b>Impact on defined benefit obligation</b> | (0.67)                | 0.67        | 0.50                           | (0.53)      |

A quantitative sensitivity analysis for significant assumption as at March 31, 2016 is as shown below:

| Assumptions                                 | <b>March 31, 2016</b> |             |                                |             |
|---------------------------------------------|-----------------------|-------------|--------------------------------|-------------|
|                                             | <b>Discount rate</b>  |             | <b>Future salary increases</b> |             |
|                                             | 1% increase           | 1% decrease | 1% increase                    | 1% decrease |
| Sensitivity Level                           |                       |             |                                |             |
| <b>Impact on defined benefit obligation</b> | (1.05)                | 0.89        | 0.76                           | (0.96)      |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation:

|                                                          | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|----------------------------------------------------------|-----------------------|-----------------------|
| Within the next 12 months (next annual reporting period) | 2.22                  | 0.27                  |
| Between 2 and 5 years                                    | 5.65                  | 1.45                  |
| Between 5 and 10 years                                   | 3.05                  | 2.20                  |
| <b>Total expected payments</b>                           | <b>10.92</b>          | <b>3.92</b>           |

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.44 years (March 31, 2016: 6.10 years).

**Note 33. Commitments and Contingencies****a) Leases**

Operating lease commitments — Company as lessee

The Company has entered into operating leases on KU band Satellite transponder on non cancellable operating lease, with lease terms between 1 and 10 years renewable on periodic basis.

The Company has paid Rs.23.14 crores (March 31, 2016: Rs.21.63 crores) during the year towards minimum lease payment

The operating lease arrangements, are renewable on a periodic basis and can be extended upto a maximum of 5 years from their respective dates of inception. There are no price escalation clause in the agreement.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2017 are, as follows:

|                                             | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|---------------------------------------------|-----------------------|-----------------------|----------------------|
| Within one year                             | 22.30                 | 22.81                 | 20.74                |
| After one year but not more than five years | 55.88                 | 75.70                 | 02.65                |
| More than five years                        | -                     | 4.42                  | -                    |
|                                             | <b>78.18</b>          | <b>102.93</b>         | <b>23.39</b>         |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### b) Contingent Liabilities

- i) Matters wherein management has concluded the Company's liability to be probable and have accordingly provided for in the books. Refer Note 45.
- ii) Matters wherein management has concluded the Company's liability to be possible and have accordingly disclosed below
- iii) Matters wherein management is confident of succeeding in these litigations and have concluded the liability to the Company to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceeding and claims, in different stages of process, in relation to civil and criminal matters.

|                                     | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------------------------|----------------|----------------|---------------|
| a) Claims related to Income Tax*    | 423.75         | 423.75         | 331.14        |
| b) Claims related to Custom duty**@ | 63.63          | 63.63          | 63.63         |
| c) Claims related to Service Tax*** | 27.39          | 26.56          | 28.26         |
| <b>Total</b>                        | <b>514.77</b>  | <b>513.94</b>  | <b>423.03</b> |

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

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

@ Further to enquiries by the customs authorities on customs duty exemptions availed by the Company in the earlier year, the Company has received a formal show cause notice containing a provisional demand of Rs. 63.13 crores. Then the Company has filed its responses to this notice and has also deposited a sum of Rs. 60.18 crores under protest pending final resolution of the matter. The Management has been advised by senior counsels that appropriate legal remedies are available to the Company in this matter and is accordingly confident of recovering the duty paid.

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

### c) Commitments

| Particulars                                                                                                  | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for</b> |                |                |               |
| Outstanding commitments on capital contracts                                                                 | 2.51           | 4.29           | 6.19          |
| Commitments for acquisition of film and program broadcasting rights                                          | 84.10          | 81.52          | 156.24        |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***b) Royalty Payable to Ministry of Information and Broadcasting ('MIB')**

The Company has obtained licenses to permit them to carry FM operations in Chennai, Coimbatore and Tirunelveli. The Company is required to pay royalty of 4% of gross revenue earned from these FM Operations during the financial year or 2.5 % of One Time Entry Fees paid, whichever is higher to Ministry of Information and Broadcasting.

**c) Franchise rights commitments**

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

**d) Financial guarantees**

The Company during the year has extended Financial Guarantee to South Asia FM Limited (Joint Venture) for their bank borrowing of Rs.29.50 crores ( March 31, 2016: Nil, April 1, 2015: Nil). The Company has offered its Fixed Deposit of Rs.32.00 crores as a collateral security against such borrowings of the investee. The carrying amounts of the related financial guarantee contracts were Rs.2.91 crores at March 31, 2017 (Also refer note 13 and note 16.)

**Note 34 Related party transactions****Names of related parties****Individual owning an interest in voting power of the Company that gives them control**

Mr. Kalanithi Maran

**Enterprises in which Key Management personnel or their relatives have significant influence**

Kal Comm Private Limited

Kal Cables Private Limited

Sun Direct TV Private Limited

Udaya FM Private Limited

Sun Distribution Services Private Limited

Sun Business Solutions Private Limited

Kal Publications Private Limited

D.K. Enterprises Private Limited

Sun Foundation

Murasoli Maran Family Trust

Kal Media Services Private Limited

Kal Airways Private Limited

**Subsidiary Companies**

Kal Radio Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Joint Venture

South Asia FM Limited

Asia Radio Broadcast Private Limited

Digital Radio (Kolkata) Broadcasting Limited

Optimum Media Services Private Limited

Digital Radio (Mumbai) Broadcasting Limited

Pioneer Radio Training Services Private Limited

Digital Radio (Delhi) Broadcasting Limited

South Asia Multimedia Private Limited

### Associates

Deccan Digital Networks (Hyderabad) Private Limited

Metro Digital Networks (Hyderabad) Private Limited

AV Digital Networks (Hyderabad) Private Limited

### Key Management personnel

Mr. Kalanithi Maran – Executive Chairman

Mr. K Vijaykumar – Managing Director and Chief Executive Officer

Mr. R Mahesh Kumar - President

Mrs. Kavery Kalanithi – Executive Director

Mr.V C Unnikrishnan - Chief Financial Officer

Mr. R. Ravi - Company Secretary

Mr. S. Selvam - Non Executive Director

Mr. J. Ravindran - Independent Director

Mr. M.K. Harinarayanan - Independent Director

Mr. Nicholas Martin Paul - Independent Director

Mr. R.Ravivenkatesh - Independent Director

### Relatives of Key Management personnel

Mrs. Mallika Maran

Ms. Kaviya Kalanithi Maran

### Terms & Conditions of Transactions with Related Party

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: Nil).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

## Transactions and balances with related parties

| Nature of transaction                        | Enterprises in which Key Management personnel or their relatives have significant influence |            | Subsidiary / joint venture / Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|----------------------------------------------|---------------------------------------------------------------------------------------------|------------|-----------------------------------------|------------|------------------------------------------------------------------|------------|
|                                              | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                              | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Income :</b>                              |                                                                                             |            |                                         |            |                                                                  |            |
| <b>Subscription Income</b>                   |                                                                                             |            |                                         |            |                                                                  |            |
| Sun Distribution Services Private Limited    | 228.34                                                                                      | 229.30     | -                                       | -          | -                                                                | -          |
| Sun Direct TV Private Limited                | 209.51                                                                                      | 199.68     | -                                       | -          | -                                                                | -          |
| Kal MediaServices Private Limited            | 42.77                                                                                       | -          | -                                       | -          | -                                                                | -          |
| <b>Advertising Income</b>                    |                                                                                             |            |                                         |            |                                                                  |            |
| Kal Publications Private Limited             | 0.52                                                                                        | 0.41       | -                                       | -          | -                                                                | -          |
| <b>Income from IPL</b>                       |                                                                                             |            |                                         |            |                                                                  |            |
| Sun Distribution Services Private Limited    | 3.00                                                                                        | 3.00       | -                                       | -          | -                                                                | -          |
| Digital Radio (Delhi) Broadcasting Limited   | -                                                                                           | -          | 4.00                                    | 3.00       | -                                                                | -          |
| Digital Radio (Mumbai) Broadcasting Limited  | -                                                                                           | -          | -                                       | 2.00       | -                                                                | -          |
| Kal Radio Limited                            | -                                                                                           | -          | -                                       | 1.50       | -                                                                | -          |
| South Asia FM Limited                        | -                                                                                           | -          | -                                       | 2.50       | -                                                                | -          |
| Digital Radio (kolkata) Broadcasting Limited | -                                                                                           | -          | 3.00                                    | -          | -                                                                | -          |
| <b>Finance Income</b>                        |                                                                                             |            |                                         |            |                                                                  |            |
| Sun Direct TV Private Limited                | 9.15                                                                                        | 9.36       | -                                       | -          | -                                                                | -          |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                               | Enterprises in which Key Management personnel or their relatives have significant influence |            | Subsidiary /Joint venture / Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|-------------------------------------------|---------------------------------------------------------------------------------------------|------------|----------------------------------------|------------|------------------------------------------------------------------|------------|
|                                           | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                             | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Rental and Business Support Income</b> |                                                                                             |            |                                        |            |                                                                  |            |
| Kal Radio Limited                         | -                                                                                           | -          | 0.63                                   | 0.65       | -                                                                | -          |
| South Asia FM Limited                     | -                                                                                           | -          | 0.24                                   | 0.26       | -                                                                | -          |
| Sun Direct TV Private Limited             | 1.92                                                                                        | 2.07       | -                                      | -          | -                                                                | -          |
| Kal Publications Private Limited          | 1.48                                                                                        | 1.77       | -                                      | -          | -                                                                | -          |
| Others                                    | 0.93                                                                                        | 0.83       | -                                      | -          | -                                                                | -          |
| <b>Movie Content Income</b>               |                                                                                             |            |                                        |            |                                                                  |            |
| Sun Direct TV Private Limited             | 8.83                                                                                        | 10.28      | -                                      | -          | -                                                                | -          |
| <b>Expenses:</b>                          |                                                                                             |            |                                        |            |                                                                  |            |
| <b>Program production expenses</b>        |                                                                                             |            |                                        |            |                                                                  |            |
| Kal Publications Private Limited          | 4.40                                                                                        | 4.38       | -                                      | -          | -                                                                | -          |
| Kal Radio Limited                         | -                                                                                           | -          | 0.07                                   | -          | -                                                                | -          |
| <b>Pay channel service charges</b>        |                                                                                             |            |                                        |            |                                                                  |            |
| Sun Distribution Services Private Limited | 22.95                                                                                       | 22.86      | -                                      | -          | -                                                                | -          |
| Kal Media Services Private Limited        | 4.30                                                                                        | -          | -                                      | -          | -                                                                | -          |
| <b>Legal and Professional Fees</b>        |                                                                                             |            |                                        |            |                                                                  |            |
| Mrs. Mallika Maran                        | -                                                                                           | -          | -                                      | -          | 0.02                                                             | 0.02       |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                    | Enterprises in which Key Management personnel or their relatives have significant influence |                                                     | Subsidiary / Joint ventures / Associates            |                                                     | Key managerial personnel / Relatives of Key managerial personnel                 |                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                | 31.03.2017                                                                                  | 31.03.2016                                          | 31.03.2017                                          | 31.03.2016                                          | 31.03.2017                                                                       | 31.03.2016                                                                    |
| <b>Rent Expense</b><br>Kal Publications Private Limited<br>Digital Radio (Mumbai) Broadcasting Limited                                                                                                                                                                                                                                                                                                         | 2.65                                                                                        | 2.52                                                | -                                                   | -                                                   | -                                                                                | -                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                | -                                                                                           | -                                                   | 0.02                                                | 0.08                                                | -                                                                                | -                                                                             |
| <b>Expenditure on Corporate Social Responsibility</b><br>Sun Foundation                                                                                                                                                                                                                                                                                                                                        | 8.40                                                                                        | 4.55                                                | -                                                   | -                                                   | -                                                                                | -                                                                             |
| <b>Advertisement expenses</b><br>Kal Publications Private Limited                                                                                                                                                                                                                                                                                                                                              | 0.37                                                                                        | 0.16                                                | -                                                   | -                                                   | -                                                                                | -                                                                             |
| <b>Remuneration paid (including ex-gratia/bonus)</b><br>Salary - Mr. Kalanithi Maran<br>Salary - Mrs. Kavery Kalanithi<br>Salary - Mr. K Vijaykumar<br>Salary - Mr. V C Unnikrishnan<br>Salary - Mr. R Ravi<br>Salary - Ms. Kaviya Kalanithi Maran<br>Salary - Mr R Mahesh Kumar<br>Ex-gratia / Bonus- Mr. Kalanithi Maran<br>Ex-gratia / Bonus- Mrs. Kavery Kalanithi<br>Ex-gratia / Bonus- Mr. K. Vijaykumar | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                         | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 13.14<br>13.14<br>0.97<br>0.85<br>0.21<br>0.16<br>1.66<br>64.79<br>64.79<br>0.20 | 13.14<br>13.14<br>0.82<br>0.81<br>0.20<br>-<br>0.62<br>58.33<br>58.32<br>0.26 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                                      | Enterprises in which Key Management personnel or their relatives have significant influence |            | Subsidiary /Joint Venture / Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------|----------------------------------------|------------|------------------------------------------------------------------|------------|
|                                                                  | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                             | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Sitting Fees Paid to Directors</b>                            |                                                                                             |            |                                        |            |                                                                  |            |
| Mr. S. Selvam                                                    | -                                                                                           | -          | -                                      | -          | 0.01                                                             | 0.01       |
| Mr. J. Ravindran                                                 | -                                                                                           | -          | -                                      | -          | 0.03                                                             | 0.01       |
| Mr. M.K. Harinarayanan                                           | -                                                                                           | -          | -                                      | -          | 0.04                                                             | 0.01       |
| Mr. Nicholas Martin Paul                                         | -                                                                                           | -          | -                                      | -          | 0.04                                                             | 0.01       |
| Mr. R.Ravivenkatesh                                              | -                                                                                           | -          | -                                      | -          | 0.03                                                             | 0.01       |
| <b>Dividends Paid</b>                                            |                                                                                             |            |                                        |            |                                                                  |            |
| Mr. Kalanithi Maran                                              | -                                                                                           | -          | -                                      | -          | 295.56                                                           | 458.12     |
| <b>Reimbursement/(Recovery) of Cost of shared services (Net)</b> |                                                                                             |            |                                        |            |                                                                  |            |
| Kal Publications Private Limited                                 | 0.24                                                                                        | 0.28       | -                                      | -          | -                                                                | -          |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Transactions and balances with related parties |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
|------------------------------------------------|---------------------------------------------------------------------------------------------|------------|------------|-----------------------------------------|------------|------------|------------------------------------------------------------------|------------|------------|
| Particulars                                    | Enterprises in which Key Management personnel or their relatives have significant influence |            |            | Subsidiary /Joint Ventures / Associates |            |            | Key managerial personnel / Relatives of Key managerial personnel |            |            |
|                                                | 31.03.2017                                                                                  | 31.03.2016 | 01.04.2015 | 31.03.2017                              | 31.03.2016 | 01.04.2015 | 31.03.2017                                                       | 31.03.2016 | 01.04.2015 |
| <b>Balances Outstanding</b>                    |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
| <b>Accounts Receivable</b>                     |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
| Sun Direct TV Private Limited                  | 130.37                                                                                      | 123.50     | 118.67     | -                                       | -          | -          | -                                                                | -          | -          |
| Sun Distribution Services Private limited      | 76.72                                                                                       | 84.94      | 91.46      | -                                       | -          | -          | -                                                                | -          | -          |
| Kal Media Services Private Limited             | 11.25                                                                                       | -          | -          | -                                       | -          | -          | -                                                                | -          | -          |
| Others                                         | 0.06                                                                                        | 1.58       | 0.68       | -                                       | -          | -          | -                                                                | -          | -          |
| <b>Other Receivables</b>                       |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
| Kal Publications Private Limited               | 0.08                                                                                        | 5.90       | 5.51       | -                                       | -          | -          | -                                                                | -          | -          |
| Sun Direct TV Private Limited                  | 6.54                                                                                        | 6.45       | 6.24       | -                                       | -          | -          | -                                                                | -          | -          |
| Kal Radio Limited                              | -                                                                                           | -          | -          | 0.26                                    | 0.07       | 0.06       | -                                                                | -          | -          |
| South Asia FM Limited                          | -                                                                                           | -          | -          | 0.09                                    | 0.02       | 0.01       | -                                                                | -          | -          |
| Digital Radio (Delhi) Broadcasting Limited     | -                                                                                           | -          | -          | 0.05                                    | -          | 0.13       | -                                                                | -          | -          |
| Others                                         | 0.09                                                                                        | 0.08       | 0.08       | -                                       | -          | -          | -                                                                | -          | -          |
| <b>Rental and other deposits</b>               |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
| Kal Publications Private Limited               | 0.06                                                                                        | 0.06       | 0.06       | -                                       | -          | -          | -                                                                | -          | -          |
| <b>Security Deposit received</b>               |                                                                                             |            |            |                                         |            |            |                                                                  |            |            |
| Kal Radio Limited                              | -                                                                                           | -          | -          | 0.00                                    | 0.00       | 0.00       | -                                                                | -          | -          |
| Kal Publications Private Limited               | 0.01                                                                                        | 0.01       | 0.01       | -                                       | -          | -          | -                                                                | -          | -          |
| Sun Direct TV Private Limited                  | 0.02                                                                                        | 0.02       | 0.02       | -                                       | -          | -          | -                                                                | -          | -          |
| Others                                         | -                                                                                           | -          | 0.62       | -                                       | -          | -          | -                                                                | -          | -          |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**  
(All amounts are in crores of Indian Rupees, unless otherwise stated)

*Transactions and balances with related parties*

| Particulars                                         | Enterprises in which Key Management personnel or their relatives have significant influence |            |            | Subsidiary /Joint Ventures Associate |            |            | Key managerial personnel / Relatives of Key managerial personnel |            |            |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------|------------|------------|--------------------------------------|------------|------------|------------------------------------------------------------------|------------|------------|
|                                                     | 31.03.2017                                                                                  | 31.03.2016 | 01.04.2015 | 31.03.2017                           | 31.03.2016 | 01.04.2015 | 31.03.2017                                                       | 31.03.2016 | 01.04.2015 |
| <b>Accounts Payable / Other Current Liabilities</b> |                                                                                             |            |            |                                      |            |            |                                                                  |            |            |
| Sun Distribution Services Private limited           | 7.40                                                                                        | 9.03       | 10.29      | -                                    | -          | -          | -                                                                | -          | -          |
| Kal Publications Private Limited                    | 0.67                                                                                        | 0.20       | 0.39       | -                                    | -          | -          | -                                                                | -          | -          |
| Kal Media Services Private Limited                  | 2.13                                                                                        | -          | -          | -                                    | -          | 0.13       | -                                                                | -          | -          |
| Kal Radio Limited                                   | -                                                                                           | -          | -          | 0.05                                 | -          | -          | -                                                                | -          | -          |
| Digital Radio (Mumbai) Broadcasting Limited         | -                                                                                           | -          | -          | -                                    | 0.02       | -          | -                                                                | -          | -          |
| Others                                              | 0.02                                                                                        | 0.02       | -          | -                                    | -          | -          | -                                                                | -          | -          |
| <b>Remuneration / Ex-gratia / Bonus Payable</b>     |                                                                                             |            |            |                                      |            |            |                                                                  |            |            |
| Mr. Kalanithi Maran                                 | -                                                                                           | -          | -          | -                                    | -          | -          | 64.79                                                            | 58.33      | 48.13      |
| Mrs. Kavery Kalanithi                               | -                                                                                           | -          | -          | -                                    | -          | -          | 64.79                                                            | 58.32      | 48.12      |
| Mr. K Vijaykumar                                    | -                                                                                           | -          | -          | -                                    | -          | -          | 0.20                                                             | 0.26       | 0.26       |
| Ms. Kaviya Kalanithi Maran                          | -                                                                                           | -          | -          | -                                    | -          | -          | 0.02                                                             | -          | -          |
| Mr R Mahesh Kumar                                   | -                                                                                           | -          | -          | -                                    | -          | -          | 0.33                                                             | 0.23       | -          |
| Mr. V C Unnikrishnan                                | -                                                                                           | -          | -          | -                                    | -          | -          | 0.18                                                             | 0.14       | 0.13       |
| Mr. R Ravi                                          | -                                                                                           | -          | -          | -                                    | -          | -          | 0.04                                                             | 0.02       | 0.02       |

Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

**Financial Guarantees to Related Parties**

The company has given Financial guarantees to one of the joint venture (South Asia FM Limited) in the ordinary course of business to meet the working capital requirements of joint venture. Please refer note 33 (d) for details.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 35. Segment information**

Based on internal reporting provided to the chief operating decision maker, Media and Entertainment is the only operating segment for the company.

**Geographic information**

|                                                       | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> |
|-------------------------------------------------------|---------------------------|---------------------------|
| Revenue from external customers                       |                           |                           |
| India                                                 | 2,400.00                  | 2,251.03                  |
| Outside India                                         | 158.25                    | 144.18                    |
| <b>Total revenues per statement of profit or loss</b> | <b>2,558.25</b>           | <b>2,395.21</b>           |

There are no sales to external customers more than 10% of total revenue.

**Non-current operating assets**

|               | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> |
|---------------|---------------------------|---------------------------|
| India         | 1,183.07                  | 953.62                    |
| Outside India | -                         | -                         |
| <b>Total</b>  | <b>1,183.07</b>           | <b>953.62</b>             |

Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets, capital work in progress and other non current assets (other than financial instruments).

**Note 36. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

|                                    | <b>Carrying value</b>     |                           |                          | <b>Fair value</b>         |                           |                          |
|------------------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
|                                    | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> | <b>April 1,<br/>2015</b> | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> | <b>April 1,<br/>2015</b> |
| <b>Financial assets</b>            |                           |                           |                          |                           |                           |                          |
| <b>(Non Current &amp; Current)</b> |                           |                           |                          |                           |                           |                          |
| Other investments (Tax free bonds) | 194.92                    | -                         | -                        | 195.87                    | -                         | -                        |
| Investments in Mutual funds and    |                           |                           |                          |                           |                           |                          |
| Quoted equity shares               | 545.48                    | 230.59                    | 244.92                   | 545.48                    | 230.59                    | 244.92                   |
|                                    | <b>740.40</b>             | <b>230.59</b>             | <b>244.92</b>            | <b>741.35</b>             | <b>230.59</b>             | <b>244.92</b>            |

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, Financial guarantee and other current and non current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The method and assumptions used to estimate the fair values is the fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 37. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

| Fair Value Measurement using                       |                   |               |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|---------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
| Particulars                                        | Date of Valuation | Total         | Quoted Price in active markets (Level 1) | Significant observable inputs( Level 2) | Significant unobservable inputs( Level 3) |
| <b>Asset measured at fair value:</b>               |                   |               |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |               |                                          |                                         |                                           |
| Quoted Equity Shares                               | March 31, 2017    | <b>9.14</b>   | 9.14                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | March 31, 2017    | <b>536.34</b> | 536.34                                   | -                                       | -                                         |
| <b>Assets for which fair values are disclosed:</b> |                   |               |                                          |                                         |                                           |
| Tax free bond (unquoted)                           | March 31, 2017    | <b>195.87</b> | -                                        | 195.87                                  |                                           |
| Investment Properties                              | March 31, 2017    | <b>75.75</b>  | -                                        | 75.75                                   |                                           |

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:

| Fair Value Measurement using                       |                   |               |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|---------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
| Particulars                                        | Date Of Valuation | Total         | Quoted Price in active markets (Level 1) | Significant observable inputs( Level 2) | Significant unobservable inputs( Level 3) |
| <b>Asset measured at fair value:</b>               |                   |               |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |               |                                          |                                         |                                           |
| Quoted Equity Shares                               | March 31, 2016    | <b>5.73</b>   | 5.73                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | March 31, 2016    | <b>224.86</b> | 224.86                                   | -                                       | -                                         |
| <b>Assets for which fair values are disclosed:</b> |                   |               |                                          |                                         |                                           |
| Investment Properties                              | March 31, 2016    | <b>67.41</b>  | -                                        | 67.41                                   | -                                         |

There have been no transfers between Level 1 and Level 2 during the period.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:

| Fair Value Measurement using                       |                   |               |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|---------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
| Particulars                                        | Date of Valuation | Total         | Quoted Price in active markets (Level 1) | Significant observable inputs( Level 2) | Significant unobservable inputs( Level 3) |
| <b>Asset measured at fair value:</b>               |                   |               |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |               |                                          |                                         |                                           |
| Quoted Equity Shares                               | April 1, 2015     | <b>5.84</b>   | 5.84                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | April 1, 2015     | <b>239.08</b> | 239.08                                   | -                                       | -                                         |
| <b>Assets for which fair values are disclosed:</b> |                   |               |                                          |                                         |                                           |
| Investment Properties                              | April 1, 2015     | <b>58.18</b>  | -                                        | 58.18                                   | -                                         |

**Note 38. Financial risk management objectives and policies**

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as equity price risk. The Value of financial instrument may change as a result of changes in the foreign currency exchange rates, equity price fluctuation, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy .Financial instrument affected by market risk includes invesment in equity instruments etc.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.As per the Forex policy, the Company, takes forward contract for transactions where the foreign currency risk on account of movement in exchange rate expected to be high and which is material to the Company. The impact of foreign exchange rate fluctuations is evaluated by assessing its exposure to exchange rates risks. Major exposure to foreign exchange fluctuation risks is with Monetary receivables / payables denominated in USD.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.The sensitivity analysis in the following sections relate to the position as at March 31, 2017, March 31, 2016 and April 1, 2015.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Particulars                               | Foreign Currency | March 31, 2017             |                         | March 31, 2016             |                         | April 1, 2015              |                         |
|-------------------------------------------|------------------|----------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
|                                           |                  | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees |
| Trade Receivables                         | USD              | 0.69                       | 44.92                   | 0.58                       | 38.25                   | 0.47                       | 29.45                   |
| Advances from Customers                   | USD              | -                          | -                       | -                          | -                       | 0.01                       | 0.50                    |
| Dues Payable in respect of PP&E           | USD              | 0.02                       | 1.10                    | -                          | -                       | -                          | -                       |
| Security Deposits received from Customers | USD              | 0.06                       | 3.91                    | 0.04                       | 2.78                    | 0.03                       | 1.62                    |
| Security Deposits Paid                    | USD              | 0.02                       | 1.17                    | 0.02                       | 1.19                    | 0.03                       | 1.60                    |
| Unbilled Revenues                         | USD              | 0.27                       | 17.69                   | 0.18                       | 11.92                   | 0.36                       | 22.71                   |
| EEFC Bank balance                         | USD              | 0.13                       | 8.48                    | 0.27                       | 17.76                   | 0.21                       | 13.22                   |

|                       | Change in forex rate(%) | Effect on profit before tax | Effect on post-tax equity |
|-----------------------|-------------------------|-----------------------------|---------------------------|
| <b>USD</b>            |                         |                             |                           |
| <b>March 31, 2017</b> | 5% Increase             | 3.36                        | 2.20                      |
|                       | 5% Decrease             | (3.36)                      | (3.36)                    |
| <b>March 31, 2016</b> | 5% Increase             | 3.32                        | 2.17                      |
|                       | 5% Decrease             | (3.32)                      | (3.32)                    |
| <b>April 1, 2015</b>  | 5% Increase             | 3.46                        | 2.26                      |
|                       | 5% Decrease             | (3.46)                      | (3.46)                    |

### Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2017, March 31, 2016 & April 1, 2015 respectively.

### Liquidity risk

The Company's prime source of liquidity is cash and cash equivalents and the cash flow generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Company had a working capital of Rs.1,890.53 crores (March 31, 2016 - Rs. 1,915.21 crores ; April 1, 2015 - Rs. 1,562.52 crores) including cash and cash equivalents of Rs. 655.16 crores (March 31, 2016 - Rs. 552.93 crores ; April 1, 2015 - Rs. 393.21 crores) and current investment of Rs. 545.48 crores (March 31, 2016 - Rs. 230.59 crores ; April 1, 2015 - Rs. 244.92 crores).

As of March 31, 2017, March 31, 2016 & April 1, 2015, there are no material liability which is outstanding. Accordingly, no liquidity risk is perceived.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

|                             | Less than<br>one Year | 1 to 2 years | More than<br>2 Years | Total         |
|-----------------------------|-----------------------|--------------|----------------------|---------------|
| <b>Year ended</b>           |                       |              |                      |               |
| <b>March 31, 2017</b>       |                       |              |                      |               |
| Other financial liabilities | 161.87                | -            | -                    | 161.87        |
| Trade and other payables    | 49.70                 | -            | -                    | 49.70         |
|                             | <b>211.57</b>         | -            | -                    | <b>211.57</b> |
| <b>Year ended</b>           |                       |              |                      |               |
| <b>March 31, 2016</b>       |                       |              |                      |               |
| Other financial liabilities | 144.98                | -            | -                    | 144.98        |
| Trade and other payables    | 38.26                 | -            | -                    | 38.26         |
|                             | <b>183.24</b>         | -            | -                    | <b>183.24</b> |
| <b>Year ended</b>           |                       |              |                      |               |
| <b>April 01, 2015</b>       |                       |              |                      |               |
| Other financial liabilities | 113.68                | -            | -                    | 113.68        |
| Trade and other payables    | 37.46                 | -            | -                    | 37.46         |
|                             | <b>151.14</b>         | -            | -                    | <b>151.14</b> |

**Collateral**

A collateral on the Fixed Deposit of the Company (amounting to Rs.32.50 crores ) has been made against the loan of Rs. 29.50 crores taken by the Company's investee (Joint Venture). Refer note 33 (d).

**Note 39. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's policy for capital management aims to enhance capital efficiency by the long-term improvement of its value through business growth, while maintaining a sound financial structure. Indicators for monitoring the capital management include total equity attributable to owners of the parent and ROE (ratio of net profit to total equity attributable to owners of the parent). The Company's policy is to keep the ROE between 35% to 38%. The Company has achieved the same over past 2 years.

|                                            | March 31, 2017  | March 31, 2016  |
|--------------------------------------------|-----------------|-----------------|
| <b>Return On Equity</b>                    |                 |                 |
| Profit Before Taxes                        | 1,490.35        | 1,316.27        |
| Less: Finance Income                       | (65.23)         | (70.58)         |
| Add: Finance Cost                          | 1.03            | 2.19            |
| <b>Earning Before Net Interest and Tax</b> | <b>1,426.15</b> | <b>1,247.88</b> |
| Equity Share Capital                       | 197.04          | 197.04          |
| Other Equity                               | 3,824.71        | 3,320.59        |
| <b>Capital Employed</b>                    | <b>4,021.75</b> | <b>3,517.63</b> |
| ROCE                                       | <b>35.46</b>    | <b>35.48</b>    |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 40. Provisional Attachment order from Enforcement Directorate

During the year, the Hon'ble Special Court hearing the related proceedings in connection with an investigation not involving the Company, passed an order, as a result of which, the provisional attachment stands released. During the previous year, certain Freehold Land and Buildings of the Company aggregating Rs. 266 crores had been provisionally attached vide an order of the Enforcement Directorate, Ministry of Finance, Government of India, ("Enforcement Directorate"), under the prevention of Money Laundering Act, 2002 ("PMLA"). Whilst the appeal process in this matter is pending, Company continues to be in possession of the said properties / deposits / mutual fund investments, the management is confident of a successful outcome from the same and accordingly is of the view that no accounting adjustments are considered necessary in this standalone financial statements in this regard.

### Note 41. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies Account (Amendment) rules, 2016, as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

**Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :**

- 1 Ind AS 16 - Property, plant and equipment are opted to be carried as recognised in its previous GAAP financials as deemed cost at the transition date. The Company has elected to continue with the carrying value as at 1st April, 2015 for all of its investment properties, Intangible assets and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.
- 2 Ind AS 103 - Business Combinations has not been applied to amalgamation / merger, which are are considered businesses under Ind AS that occurred before date of transition i.e April 1, 2015.  
The Company has used this exemption for the merger of Gemini TV Private Limited and the Satellite Television Business of Udaya TV Private Limited in earlier years.

### Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015 (i.e. the date of transition to Ind-AS) and as of March 31, 2016.

### Effect of the Transition to Ind AS

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2015 and March 31, 2016 are also presented in Note 42. Reconciliations of the Company's income statements for the year ended March 31, 2016 prepared in accordance with Indian GAAP and Ind AS in Note 43.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)***Note 42.Reconciliation of Equity as on March 31, 2016**

| Particulars                                        | Foot Note | Opening Balance Sheet at<br>on April 1, 2015 |                                      |                 | Balance Sheet as<br>on March 31, 2016 |                                      |                 |
|----------------------------------------------------|-----------|----------------------------------------------|--------------------------------------|-----------------|---------------------------------------|--------------------------------------|-----------------|
|                                                    |           | Previous<br>GAAP                             | Effect of<br>transition<br>to Ind AS | Ind AS          | Previous<br>GAAP                      | Effect of<br>transition<br>to Ind AS | Ind AS          |
| <b>ASSETS</b>                                      |           |                                              |                                      |                 |                                       |                                      |                 |
| <b>Non-Current Assets</b>                          |           |                                              |                                      |                 |                                       |                                      |                 |
| Property, Plant and Equipment                      | (f) & (j) | 714.50                                       | (2.92)                               | 711.58          | 437.83                                | (4.12)                               | 433.71          |
| Capital Work-in-Progress                           |           | 0.49                                         | -                                    | 0.49            | 0.57                                  | -                                    | 0.57            |
| Investment Properties                              | (j)       | -                                            | 13.69                                | 13.69           | -                                     | 13.03                                | 13.03           |
| Other Intangible assets                            |           | 359.65                                       | -                                    | 359.65          | 386.17                                | -                                    | 386.17          |
| Financial Assets                                   |           |                                              |                                      |                 |                                       |                                      |                 |
| Investment in subsidiary & joint venture           |           | 462.40                                       | -                                    | 462.40          | 620.20                                | -                                    | 620.20          |
| Other Financial Assets                             | (g)       | 7.92                                         | (0.11)                               | 7.81            | 8.12                                  | (0.42)                               | 7.70            |
| Non Current tax assets(net)                        |           | 68.05                                        | -                                    | 68.05           | 56.59                                 | -                                    | 56.59           |
| Other non current assets                           |           | 233.41                                       | -                                    | 233.41          | 119.71                                | 0.43                                 | 120.14          |
|                                                    |           | <b>1,846.42</b>                              | <b>10.66</b>                         | <b>1,857.08</b> | <b>1,629.19</b>                       | <b>8.92</b>                          | <b>1,638.11</b> |
| <b>Current Assets</b>                              |           |                                              |                                      |                 |                                       |                                      |                 |
| Inventories                                        |           | 0.48                                         | -                                    | 0.48            | 1.13                                  | -                                    | 1.13            |
| Financial Assets                                   |           |                                              |                                      | -               |                                       |                                      |                 |
| Investments                                        | (c)       | 231.16                                       | 13.76                                | 244.92          | 209.83                                | 20.76                                | 230.59          |
| Trade receivables                                  | (e)       | 676.73                                       | (3.45)                               | 673.28          | 740.84                                | (7.93)                               | 732.91          |
| Cash and Cash Equivalents                          |           | 393.21                                       | -                                    | 393.21          | 552.93                                | -                                    | 552.93          |
| Bank Balances other than cash and cash equivalents |           | 297.31                                       | -                                    | 297.31          | 234.86                                | -                                    | 234.86          |
| Other Financial Assets                             | (g)       | 102.63                                       | -                                    | 102.63          | 348.60                                | -                                    | 348.60          |
| Other current assets                               |           | 42.80                                        | (1.16)                               | 41.64           | 43.48                                 | (0.24)                               | 43.24           |
|                                                    |           | <b>1,744.32</b>                              | <b>9.15</b>                          | <b>1,753.47</b> | <b>2,131.67</b>                       | <b>12.59</b>                         | <b>2,144.26</b> |
| <b>Total Assets</b>                                |           | <b>3,590.74</b>                              | <b>19.81</b>                         | <b>3,610.55</b> | <b>3,760.86</b>                       | <b>21.51</b>                         | <b>3,782.37</b> |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

## EQUITY AND LIABILITIES

|                                     | Foot Note | Opening Balance Sheet at<br>on April 1, 2015 |                                      |                 | Balance Sheet as<br>on March 31, 2016 |                                      |                 |
|-------------------------------------|-----------|----------------------------------------------|--------------------------------------|-----------------|---------------------------------------|--------------------------------------|-----------------|
|                                     |           | Previous<br>GAAP                             | Effect of<br>transition<br>to Ind AS | Ind AS          | Previous<br>GAAP                      | Effect of<br>transition<br>to Ind AS | Ind AS          |
| <b>Equity</b>                       |           |                                              |                                      |                 |                                       |                                      |                 |
| Equity Share Capital                |           | 197.04                                       | -                                    | 197.04          | 197.04                                | -                                    | 197.04          |
| Other Equity                        |           |                                              |                                      | -               |                                       |                                      |                 |
| Reserve and Surplus                 |           | 3,182.66                                     | 3.35                                 | 3,186.01        | 3,314.73                              | 5.86                                 | 3,320.59        |
| <b>Total Equity</b>                 |           | <b>3,379.70</b>                              | <b>3.35</b>                          | <b>3,383.05</b> | <b>3,511.77</b>                       | <b>5.86</b>                          | <b>3,517.63</b> |
| <b>Non-Current Liabilities</b>      |           |                                              |                                      |                 |                                       |                                      |                 |
| Financial Liabilities               |           |                                              |                                      |                 |                                       |                                      |                 |
| Other financial liabilities         | (g)       | 3.85                                         | (0.04)                               | 3.81            | 6.16                                  | 0.16                                 | 6.32            |
| Government Grants                   | (f)       | -                                            | 8.91                                 | 8.91            | -                                     | 7.44                                 | 7.44            |
| Deferred Tax Liabilities(Net)       | (h)       | 22.06                                        | 1.77                                 | 23.83           | 18.81                                 | 3.12                                 | 21.93           |
|                                     |           | <b>25.91</b>                                 | <b>10.64</b>                         | <b>36.55</b>    | <b>24.97</b>                          | <b>10.72</b>                         | <b>35.69</b>    |
| <b>Current Liabilities</b>          |           |                                              |                                      |                 |                                       |                                      |                 |
| Financial Liabilities               |           |                                              |                                      |                 |                                       |                                      |                 |
| Trade Payables                      |           | 37.46                                        | -                                    | 37.46           | 38.26                                 | -                                    | 38.26           |
| Other current financial liabilities | (g)       | 111.42                                       | (1.55)                               | 109.87          | 139.44                                | (0.78)                               | 138.66          |
| Government Grants                   | (f)       |                                              | 1.86                                 | 1.86            | -                                     | 1.47                                 | 1.47            |
| Provisions                          |           | 6.77                                         | -                                    | 6.77            | 13.91                                 | -                                    | 13.91           |
| Other Current Liabilities           | (a) & (b) | 29.48                                        | 5.51                                 | 34.99           | 32.51                                 | 4.24                                 | 36.75           |
| <b>Total Liabilities</b>            |           | <b>185.13</b>                                | <b>5.82</b>                          | <b>190.95</b>   | <b>224.12</b>                         | <b>4.93</b>                          | <b>229.05</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> |           | <b>3,590.74</b>                              | <b>19.81</b>                         | <b>3,610.55</b> | <b>3,760.86</b>                       | <b>21.51</b>                         | <b>3,782.37</b> |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)***Note 43. Reconciliation of profit or loss for the year ended March 31, 2016**

|                                                                                                              | Foot Note      | Previous<br>GAAP | Reclassi-<br>fications | Effect of<br>transition to<br>Ind AS | Ind AS          |
|--------------------------------------------------------------------------------------------------------------|----------------|------------------|------------------------|--------------------------------------|-----------------|
| <b>Income</b>                                                                                                |                |                  |                        |                                      |                 |
| Revenue from Operations                                                                                      | (a) & (b)      | 2,403.98         | -                      | (8.77)                               | 2,395.21        |
| Other Income                                                                                                 | (a), (c) & (g) | 89.32            | -                      | 18.22                                | 107.54          |
| <b>Total Income</b>                                                                                          |                | <b>2,493.30</b>  | <b>-</b>               | <b>9.45</b>                          | <b>2,502.75</b> |
| <b>Expenses</b>                                                                                              |                |                  |                        |                                      |                 |
| Costs of revenues                                                                                            |                | 266.80           | (0.26)                 | -                                    | 266.54          |
| Employees' benefits expense                                                                                  | (d)            | 235.88           | -                      | 0.11                                 | 235.99          |
| Other expenses                                                                                               | (e) & (g)      | 185.39           | 0.35                   | 3.57                                 | 189.31          |
| Advertisement and marketing expenses                                                                         |                | 7.43             | -                      | -                                    | 7.43            |
| Depreciation and amortization expense                                                                        | (f)            | 483.16           | -                      | 1.86                                 | 485.02          |
| Finance costs                                                                                                | (g)            | 2.11             | (0.09)                 | 0.17                                 | 2.19            |
| <b>Total Expense</b>                                                                                         |                | <b>1,180.77</b>  | <b>-</b>               | <b>5.71</b>                          | <b>1,186.48</b> |
| <b>Profit before exceptional items<br/>and tax</b>                                                           |                | <b>1,312.53</b>  | <b>-</b>               | <b>3.74</b>                          | <b>1,316.27</b> |
| Exceptional items (net)                                                                                      |                | 17.97            | -                      | -                                    | 17.97           |
| <b>Profit Before Tax</b>                                                                                     |                | <b>1,330.50</b>  | <b>-</b>               | <b>3.74</b>                          | <b>1,334.24</b> |
| Current Year                                                                                                 |                | 466.50           | -                      | -                                    | 466.50          |
| Deferred Tax (Net)                                                                                           | (h)            | (3.25)           | -                      | 1.30                                 | (1.95)          |
| Income Tax Expense                                                                                           |                | <b>463.25</b>    | <b>-</b>               | <b>1.30</b>                          | <b>464.55</b>   |
| <b>Profit for the year</b>                                                                                   |                | <b>867.25</b>    | <b>-</b>               | <b>2.44</b>                          | <b>869.69</b>   |
| Other Comprehensive income:                                                                                  | (i)            |                  |                        |                                      |                 |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>            |                |                  |                        |                                      |                 |
| Remeasurement gains and (losses)<br>on defined benefit obligations (net)                                     | (d)            | -                | -                      | 0.07                                 | 0.07            |
| <b>Net other comprehensive income<br/>not to be reclassified to profit or loss<br/>in subsequent periods</b> |                | <b>-</b>         | <b>-</b>               | <b>0.07</b>                          | <b>0.07</b>     |
| <b>Total comprehensive income for<br/>the year, net of tax attributable to:</b>                              |                | <b>867.25</b>    | <b>-</b>               | <b>2.51</b>                          | <b>869.76</b>   |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Notes:

- (a) **Deferred credit terms with customers**  
Under Indian GAAP, the Company accounted for revenue from operations at its transaction value. Under Ind AS, where the inflow of cash is deferred, revenue is determined at its fair value by discounting all future receipts using an imputed rate of interest. The difference between the transaction value and discounted value is recognized as interest income on EIR basis.
- (b) **Multiple arrangements**  
Under Indian GAAP, the Company has accounted for various components of a multiple-element arrangement as a single contract at its transaction value. However, under Ind AS, the Group has identified separately each components of a combined transaction and recognized revenue on each component at its fair value.
- (c) **Investments carried at FVTPL**  
Under Indian GAAP, the Company accounted for investments in unquoted mutual funds as investment measured at the lower of cost and market value. Under Ind AS, the Group has measured such investments at fair value. The difference between fair value and Indian GAAP carrying amount has been recognized in statement of profit and loss account as fair value gain/loss.
- (d) **Actuarial gain/loss on defined benefit plans**  
Under Indian GAAP, the Company recognized actuarial gains/losses and expected rate of return on defined benefit plans in the income statement. Under Ind AS, the Company has recognized the actuarial gains/losses and the return on assets (excluding interest) relating to retirement benefit plans in other comprehensive income. However, this has no impact on total comprehensive income and total equity.
- (e) **Impairment of financial assets**  
Under Indian GAAP, provisioning on trade receivables was made on incurred loss model. Under Ind AS, the provision has been created based on the expected credit loss model.
- (f) **Government Grants**  
Under Indian GAAP, the Company has accounted for fixed assets net of the import duty exemption provided. Under Ind AS, the Government grant is to be separately identified and recognised as deferred revenue and fixed assets is to be accounted at the gross value including the duty saved portion. The income is to be recognised over the life of the respective assets and depreciation is to be charged on the grossed value of fixed assets.
- (g) **Other financial assets**  
Under Indian GAAP, the Company measures the rental deposits paid to the lessor and rental deposits received from customers at transaction value. Under Ind AS, the deposits have been measured at fair value and the difference between the fair value and the transaction cost has been recorded as prepaid lease rent / deferred revenue.
- (h) **Deferred tax**  
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.  
On transitional adjustments, the corresponding deferred taxes have been recognized.
- (i) **Other comprehensive income**  
Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.
- (j) **Investment Properties**  
Under Indian GAAP, investment properties were presented as part Property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet.
- (k) **Statement of cash flows**  
The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 44. Disclosure On Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes(SBNs) and other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars                           | SBNs | Other denomination notes | Total |
|---------------------------------------|------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 0.03 | 0.05                     | 0.08  |
| (+) Permitted receipts                | -    | 0.16                     | 0.16  |
| (-) Permitted payments                | -    | 0.14                     | 0.14  |
| (-) Amount deposited in Banks         | 0.03 | 0.00                     | 0.03  |
| Closing cash in hand as on 30.12.2016 | -    | 0.06                     | 0.06  |

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**Note 45. As required by Accounting Standard (Ind - AS-37) "Provisions, Contingent Liabilities and Contingent Assets" the details of Provisions are set out as under**

| Nature of Provision           | Opening Balance | Provision for the year | Provision written back /adjusted | Closing Balance |
|-------------------------------|-----------------|------------------------|----------------------------------|-----------------|
| Claims related to Service tax | 4.96            | 2.28                   | -                                | 7.24            |
| FM License fees               | 2.05            | 2.05                   | -                                | 4.10            |
|                               | <b>7.01</b>     | <b>4.33</b>            | <b>-</b>                         | <b>11.34</b>    |

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

Place : Chennai

Date : May 26, 2017

**For and on behalf of the board of directors****Kalanithi Maran**

Chairman

**K Vijaykumar**Managing Director &  
Chief Executive Officer**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place : Chennai

Date : May 26, 2017

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Sun TV Network Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Sun TV Network Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associates and joint ventures, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and Joint Ventures, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, its associates and joint ventures, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, its associates and joint venture, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, and on the basis of the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, its associates and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary company, its associates and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, its associates and joint ventures, as noted in the 'Other matter' paragraph:

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

- i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 35(b) to the Consolidated Ind AS financial statements;
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary, its associates and joint ventures incorporated in India during the year ended March 31, 2017.
- iv. The Holding Company, subsidiary, its associates and joint ventures incorporated in India, have provided requisite disclosures in Note 48 to these Consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including, its associates and joint ventures and as produced to us by the Management of the Holding Company.

### Other Matter

We did not audit the financial statements and other financial information, in respect of subsidiary (KRL), whose Ind AS financial statements include total assets of Rs 333.26 crores and net assets of Rs 308.54 crores as at March 31, 2017, and total revenues from operations of Rs 89.47 crores and net cash outflow of Rs 67.11 crores for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 28.75 crores for the year ended March 31, 2017, as considered in the Consolidated Ind AS financial statements, in respect of SAFL (including 7 joint ventures and 3 associates of SAFL), whose Consolidated Ind AS financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on the reports of such other auditors.

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

### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

### per Aniruddh Sankaran

Partner

Membership No.: 211107

Place: Chennai

Date: May 26, 2017

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

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

#### To the Members of Sun TV Network Limited

In conjunction with our audit of the Consolidated Ind AS financial statements of Sun TV Network Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Sun TV Network Limited (hereinafter referred to as the "Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and

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

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

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

### **For S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

### **per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place of Signature: Chennai

Date: May 26, 2017

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

| Particulars                                                    | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|----------------------------------------------------------------|-------|----------------------|----------------------|---------------------|
| <b>ASSETS</b>                                                  |       |                      |                      |                     |
| <b>Non-Current Assets</b>                                      |       |                      |                      |                     |
| Property, Plant and Equipment                                  | 3     | 769.72               | 440.89               | 718.79              |
| Capital Work-in-Progress                                       |       | 1.64                 | 0.74                 | 0.50                |
| Investment Properties                                          | 4     | 12.71                | 13.03                | 13.69               |
| Goodwill                                                       |       | 4.80                 | 4.80                 | 4.80                |
| Other Intangible assets                                        | 5     | 437.31               | 399.45               | 382.80              |
| Investment in joint venture                                    | 6     | 407.64               | 378.89               | 190.13              |
| Financial Assets                                               |       |                      |                      |                     |
| Investments                                                    | 7     | 194.92               | -                    | -                   |
| Other Financial Assets                                         | 7     | 63.69                | 19.69                | 18.26               |
| Deferred tax assets (net)                                      | 15    | 3.46                 | 1.24                 | -                   |
| Non Current tax assets (net)                                   |       | 67.95                | 57.73                | 70.09               |
| Other non current assets                                       | 8     | 154.95               | 122.29               | 241.21              |
|                                                                |       | <b>2,118.79</b>      | <b>1,438.75</b>      | <b>1,640.27</b>     |
| <b>Current Assets</b>                                          |       |                      |                      |                     |
| Inventories                                                    | 9     | 0.89                 | 1.13                 | 0.48                |
| Financial Assets                                               |       |                      |                      |                     |
| Investments                                                    | 10    | 545.48               | 243.87               | 279.06              |
| Trade receivables                                              | 11    | 772.60               | 776.11               | 718.51              |
| Cash and Cash Equivalents                                      | 12.1  | 661.83               | 558.06               | 397.91              |
| Bank Balances other than cash and cash equivalents             | 12.2  | 126.56               | 346.79               | 350.27              |
| Other Financial Assets                                         | 10    | 97.05                | 350.52               | 103.26              |
| Other current assets                                           | 8     | 58.47                | 45.49                | 43.70               |
|                                                                |       | <b>2,262.88</b>      | <b>2,321.97</b>      | <b>1,893.19</b>     |
| <b>Total Assets</b>                                            |       | <b>4,381.67</b>      | <b>3,760.72</b>      | <b>3,533.46</b>     |
| <b>EQUITY AND LIABILITIES</b>                                  |       |                      |                      |                     |
| <b>Equity</b>                                                  |       |                      |                      |                     |
| Equity Share Capital                                           | 13.1  | 197.04               | 197.04               | 197.04              |
| Other Equity                                                   | 13.2  | 3,831.42             | 3,277.00             | 3,090.40            |
| <b>Equity attributable to the equity holders of the parent</b> |       | <b>4,028.46</b>      | <b>3,474.04</b>      | <b>3,287.44</b>     |
| Non Controlling interest                                       |       | 3.61                 | 3.20                 | 2.72                |
| <b>Total Equity</b>                                            |       | <b>4,032.07</b>      | <b>3,477.24</b>      | <b>3,290.16</b>     |

# **CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

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

| Particulars                         | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|-------------------------------------|-------|----------------------|----------------------|---------------------|
| <b>Non-Current Liabilities</b>      |       |                      |                      |                     |
| Financial Liabilities               |       |                      |                      |                     |
| Other financial liabilities         | 14    | 6.70                 | 6.34                 | 3.70                |
| Government Grants                   | 19    | 6.26                 | 7.44                 | 8.91                |
| Deferred Tax Liabilities (Net)      | 15    | 55.55                | 21.93                | 24.36               |
| Other Non Current Liabilities       | 16    | 0.41                 | 0.36                 | 0.47                |
|                                     |       | <b>68.92</b>         | <b>36.07</b>         | <b>37.44</b>        |
| <b>Current Liabilities</b>          |       |                      |                      |                     |
| Financial Liabilities               |       |                      |                      |                     |
| Trade Payables                      | 17    | 72.21                | 55.67                | 51.55               |
| Other current financial liabilities | 18    | 152.79               | 139.18               | 110.25              |
| Government Grants                   | 19    | 1.18                 | 1.47                 | 1.86                |
| Provisions                          | 20    | 20.08                | 13.98                | 6.77                |
| Other Current Liabilities           | 21    | 34.42                | 37.11                | 35.43               |
| <b>Total Liabilities</b>            |       | <b>280.68</b>        | <b>247.41</b>        | <b>205.86</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>4,381.67</b>      | <b>3,760.72</b>      | <b>3,533.46</b>     |

Summary of significant accounting policies

2

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

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**For and on behalf of the board of directors**

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

**Kalanithi Maran**

Chairman

**K Vijaykumar**

Managing Director &  
Chief Executive Officer

Place : Chennai

Date : May 26, 2017

**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place : Chennai

Date : May 26, 2017

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

| Particulars                                                                                                 | Note No.  | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-------------------------------------------------------------------------------------------------------------|-----------|------------------------------|------------------------------|
| <b>Income</b>                                                                                               |           |                              |                              |
| Revenue from Operations                                                                                     | 22        | 2,645.72                     | 2,473.64                     |
| Other Income                                                                                                | 23        | 153.80                       | 116.33                       |
| <b>Total Income (I)</b>                                                                                     |           | <b>2,799.52</b>              | <b>2,589.97</b>              |
| <b>Expenses</b>                                                                                             |           |                              |                              |
| Operating expenses                                                                                          | 24        | 319.25                       | 280.86                       |
| Employee benefits expenses                                                                                  | 25        | 273.51                       | 250.80                       |
| Other expenses                                                                                              | 26        | 249.48                       | 199.39                       |
| Selling expenses                                                                                            | 27        | 33.64                        | 9.85                         |
| Depreciation and amortization expenses                                                                      | 28        | 400.45                       | 496.70                       |
| Finance costs                                                                                               | 29        | 1.03                         | 2.19                         |
| <b>Total Expense (II)</b>                                                                                   |           | <b>1,277.36</b>              | <b>1,239.79</b>              |
| <b>Profit before share of profit of Associates and joint ventures, exceptional items and tax (I) - (II)</b> |           | <b>1,522.17</b>              | <b>1,350.18</b>              |
| Share of profit of an Associates and a Joint ventures                                                       |           | 28.75                        | 30.95                        |
| <b>Profit before exceptional items and tax</b>                                                              |           | <b>1,550.92</b>              | <b>1,381.13</b>              |
| <b>Exceptional items (net)</b>                                                                              | <b>30</b> | <b>-</b>                     | <b>17.97</b>                 |
| <b>Profit before tax after exceptional items (net)</b>                                                      |           | <b>1,550.92</b>              | <b>1,399.10</b>              |
| Current Taxes                                                                                               |           | 488.26                       | 480.47                       |
| Deferred Taxes (net)                                                                                        |           | 31.99                        | (3.68)                       |
| <b>Income tax expense</b>                                                                                   | <b>31</b> | <b>520.25</b>                | <b>476.79</b>                |
| <b>Profit for the year</b>                                                                                  |           | <b>1,030.66</b>              | <b>922.31</b>                |
| <b>Other Comprehensive Income:</b>                                                                          |           |                              |                              |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>           |           |                              |                              |
| Remeasurement gains and (losses) on defined benefit obligations (net)                                       |           | (2.12)                       | (0.01)                       |
| Income tax effect                                                                                           |           | 0.59                         | (0.04)                       |
| <b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>        |           | <b>(1.53)</b>                | <b>(0.05)</b>                |
| <b>Total comprehensive income for the year</b>                                                              |           | <b>1,029.13</b>              | <b>922.26</b>                |

# **CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

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

|                                                                       | <b>Note No.</b> | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|-----------------------------------------------------------------------|-----------------|-----------------------|-----------------------|
| <b>Profit for the year</b>                                            |                 |                       |                       |
| Attributable to:                                                      |                 |                       |                       |
| Equity holders of the parent                                          |                 | <b>1,030.26</b>       | <b>921.83</b>         |
| Non-controlling interests                                             |                 | <b>0.41</b>           | <b>0.48</b>           |
| <b>Total comprehensive income for the year</b>                        |                 |                       |                       |
| Attributable to:                                                      |                 |                       |                       |
| Equity holders of the parent                                          |                 | <b>1,028.73</b>       | <b>921.78</b>         |
| Non-controlling interests                                             |                 | <b>0.41</b>           | <b>0.48</b>           |
| Earnings per Equity Share of Rs. 5.00/- each                          | 32              |                       |                       |
| Basic earnings from operations attributable to equity share holders   |                 | 26.15                 | 23.40                 |
| Diluted earnings from operations attributable to equity share holders |                 | 26.15                 | 23.40                 |
| Significant Accounting Policies                                       | 2               |                       |                       |

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

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**For and on behalf of the board of directors**

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

**Kalanithi Maran**

Chairman

**K Vijaykumar**

Managing Director &  
Chief Executive Officer

Place : Chennai

Date : May 26, 2017

**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place : Chennai

Date : May 26, 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number of shares)***a. Equity Share Capital:**

Equity shares of Rs.5.00 /- each issued,  
subscribed and fully paid

|                             | Number              | Amount        |
|-----------------------------|---------------------|---------------|
| As at April 1, 2015         | 39,40,84,620        | 197.04        |
| As at March 31, 2016        | 39,40,84,620        | 197.04        |
| <b>As at March 31, 2017</b> | <b>39,40,84,620</b> | <b>197.04</b> |

**b. Other equity****For the year ended March 31, 2017**

| Attributable to Equity share holders             |                   |                            |                 |                 |
|--------------------------------------------------|-------------------|----------------------------|-----------------|-----------------|
| Particulars                                      | Retained earnings | Securities Premium Reserve | General Reserve | Total           |
| <b>As at April 1, 2016</b>                       | 2,321.38          | 471.82                     | 483.80          | 3,277.00        |
| Profit for the year                              | 1,030.25          | -                          | -               | 1,030.25        |
| Other comprehensive income                       | (1.53)            | -                          | -               | (1.53)          |
| Total Comprehensive Income                       | 3,350.10          | 471.82                     | 483.80          | 4,305.72        |
| Cash dividends (Refer note - 13.3)               | (394.07)          | -                          | -               | (394.07)        |
| Dividend distribution tax (DDT) on cash dividend | (80.23)           | -                          | -               | (80.23)         |
| <b>As at March 31, 2017</b>                      | <b>2,875.80</b>   | <b>471.82</b>              | <b>483.80</b>   | <b>3,831.42</b> |

**For the year ended March 31, 2016**

| Attributable to Equity share holders            |                   |                            |                 |                 |
|-------------------------------------------------|-------------------|----------------------------|-----------------|-----------------|
| Particulars                                     | Retained earnings | Securities Premium Reserve | General Reserve | Total           |
| <b>As at April 1, 2015</b>                      | 2,134.78          | 471.82                     | 483.80          | 3,090.40        |
| Profit for the year                             | 921.83            | -                          | -               | 921.83          |
| Other comprehensive income                      | (0.05)            | -                          | -               | (0.05)          |
| Total Comprehensive Income                      | 3,056.56          | 471.82                     | 483.80          | 4,012.18        |
| Cash dividends (Refer note - 13.3)              | (610.83)          | -                          | -               | (610.83)        |
| Dividend distribution (DDT)tax on cash dividend | (124.35)          | -                          | -               | (124.35)        |
| <b>As at March 31, 2016</b>                     | <b>2,321.38</b>   | <b>471.82</b>              | <b>483.80</b>   | <b>3,277.00</b> |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in crores of Indian Rupees, except in respect of number of shares)

Significant Accounting Policies

2

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

**For S.R. BATLIBOI & ASSOCIATES LLP**

**For and on behalf of the board of directors**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

**Kalanithi Maran**

Chairman

**K Vijaykumar**

Managing Director &

Chief Executive Officer

Place : Chennai

Date : May 26, 2017

**R. Ravi**

Company Secretary

**V C Unnikrishnan**

Chief Financial Officer

Place: Chennai

Date : May 26, 2017

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                                                                                                                                                       | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from operating activities</b>                                                                                                            |                              |                              |
| <b>Net profit before tax and exceptional items</b>                                                                                                    | <b>1,522.17</b>              | <b>1,350.18</b>              |
| Adjustments to reconcile profit before tax to net cash flows:                                                                                         |                              |                              |
| Depreciation on property, plant and equipment and investment property                                                                                 | 55.33                        | 74.08                        |
| Amortisation of intangible assets                                                                                                                     | 344.22                       | 421.68                       |
| Loss on sale of property, plant and equipment, net                                                                                                    | 1.89                         | 1.47                         |
| Translation loss / (gain) on monetary assets and liabilities                                                                                          | 2.76                         | (1.11)                       |
| Impairment allowance (allowance for bad and doubtful debts / movie advance and other advances) net of reversal (allowance for bad and doubtful debts) | (50.04)                      | 24.19                        |
| Provision for litigations and claims                                                                                                                  | 2.28                         | 1.08                         |
| Bad debts written off                                                                                                                                 | 77.20                        | 3.73                         |
| Provision for FM Licenses fees                                                                                                                        | 2.05                         | 2.05                         |
| Liabilities / provisions no longer required written back                                                                                              | (1.52)                       | (7.10)                       |
| interest income                                                                                                                                       | (73.26)                      | (77.82)                      |
| Export incentives (government grants) (Refer Note 19)                                                                                                 | (1.47)                       | (1.86)                       |
| Dividend income / Net gain on sale of current investments                                                                                             | (31.17)                      | (12.39)                      |
| Fair value gain on financial instruments at fair value through profit or loss                                                                         | (38.95)                      | (7.16)                       |
| Finance cost                                                                                                                                          | 1.03                         | 2.19                         |
| <b>Operating profit before working capital changes</b>                                                                                                | <b>1,812.52</b>              | <b>1,773.21</b>              |
| Movements in working capital :                                                                                                                        |                              |                              |
| (Increase) / Decrease in trade receivables                                                                                                            | (16.27)                      | (76.17)                      |
| (Increase) / Decrease in inventories                                                                                                                  | 0.24                         | (0.65)                       |
| (Increase) / Decrease in other current assets/ other financial assets                                                                                 | (4.09)                       | 17.06                        |
| (Increase) / Decrease in loans and advances                                                                                                           | (33.15)                      | 3.74                         |
| Increase / (Decrease) in trade payables and other liabilities/other financial liabilities                                                             | 22.17                        | 45.93                        |
| Increase / (Decrease) in provisions                                                                                                                   | 1.82                         | 3.98                         |
| <b>Cash generated from operations</b>                                                                                                                 | <b>1,783.24</b>              | <b>1,767.10</b>              |
| Direct taxes paid (net of refunds)                                                                                                                    | (498.47)                     | (468.12)                     |
| <b>Net cash flow from / (used in) operating activities</b>                                                                                            | <b>(A) 1,284.77</b>          | <b>1,298.98</b>              |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

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

|                                                                                                                                               | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from investing activities</b>                                                                                                    |                              |                              |
| Payment for Purchase of Property, plant and equipment (PP&E), investment properties and capital work in progress (including capital advances) | (389.03)                     | (40.07)                      |
| Payment for purchase of intangible assets (including advances towards purchase of intangible assets)                                          | (404.34)                     | (333.46)                     |
| Payment for purchase of financial instruments (current investments)                                                                           | (1,833.00)                   | (685.34)                     |
| Proceeds from sale of financial instruments (current investments)                                                                             | 1,570.34                     | 727.69                       |
| Proceeds from sale of Property, plant and equipment PP&E                                                                                      | 261.02                       | 0.50                         |
| Investment in Joint Venture                                                                                                                   | -                            | (157.80)                     |
| Payment for purchase of Non current investments                                                                                               | (201.49)                     | -                            |
| Term deposits placed with banks during the year                                                                                               | (173.44)                     | (356.23)                     |
| Term deposits refunded from banks during the year                                                                                             | 355.38                       | 357.85                       |
| Interest received (finance income)                                                                                                            | 77.70                        | 73.14                        |
| Dividend income / Net gain on sale of current investments                                                                                     | 31.17                        | 12.39                        |
| Net cash from / (used in) investing activities (B)                                                                                            | <b>(705.69)</b>              | <b>(401.33)</b>              |
| <b>Cash flow from financing activities</b>                                                                                                    |                              |                              |
| Proceeds from Short Term Borrowings                                                                                                           | 314.40                       | 1,176.35                     |
| Repayment of Short term borrowings                                                                                                            | (314.40)                     | (1,176.35)                   |
| Interim Dividend Paid                                                                                                                         | (394.07)                     | (610.83)                     |
| Tax on interim dividend paid                                                                                                                  | (80.23)                      | (124.35)                     |
| Interest paid (finance cost)                                                                                                                  | (1.03)                       | (2.19)                       |
| Net cash (used in) / from financing activities (C)                                                                                            | <b>(475.33)</b>              | <b>(737.37)</b>              |
| Exchange differences on translation of foreign currency cash and cash equivalents (D)                                                         | 0.02                         | (0.13)                       |
| <b>Net increase in cash and cash equivalents (A+B+C+D)</b>                                                                                    | <b>103.77</b>                | <b>160.15</b>                |
| <b>Opening balance of cash and cash equivalents E</b>                                                                                         | <b>558.06</b>                | <b>397.91</b>                |
| <b>Closing balance of cash and cash equivalents F</b>                                                                                         | <b>661.83</b>                | <b>558.06</b>                |
| Net increase / (decrease) in cash and cash equivalents (F-E)                                                                                  | 103.77                       | 160.15                       |
| Closing cash and Bank Balance (F)                                                                                                             | 661.83                       | 558.06                       |

### Notes

- a) The reconciliation to the cash and bank balances a given in Note 12.1 is as follows :

|                                               |               |               |
|-----------------------------------------------|---------------|---------------|
| Cash and Cash Equivalents (Note 12.1)         | 661.83        | 558.06        |
| <b>Cash and cash equivalents, end of year</b> | <b>661.83</b> | <b>558.06</b> |

- b) Components of cash and cash equivalents

|                                    |        |        |
|------------------------------------|--------|--------|
| Cash and cheques on hand           | 39.19  | 108.18 |
| With banks - on current account    | 179.06 | 42.12  |
| -on deposit account (unrestricted) | 443.58 | 407.76 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***1. Background and corporate information**

The consolidated financial statements comprise financial statements of Sun TV Network Limited (the Company) and its subsidiary (collectively, the Group) for the year ended March 31, 2017.

Sun TV Network Limited ('Sun TV' or 'the Company') was incorporated on December 18, 1985 as Sumangali Publications Private Limited. The Company is engaged in producing and broadcasting satellite television and radio software programming in the regional languages of South India. The Company is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') in India. The Company has its registered office at Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600 028

The Company has a subsidiary - Kal Radio Limited ('KRL'), which is incorporated in India. KRL was incorporated on October 7, 2005 as Kal Radio Private Limited and 98.18% (March 31, 2016 - 97.80%) of its paid up equity share capital is held by Sun TV. The company has a joint venture in South Asia FM Limited (SAFML), which was incorporated on November 9, 2005 as South Asia FM Private Limited and as at the balance sheet date, the Company holds 59.44 % (March 31, 2016 - 59.44%) of its paid up equity share capital. KRL and SAFML are engaged in producing and broadcasting radio software programming in Indian regional languages.

The financial statements are approved for issue by the Company's Board of Directors on May 26, 2017.

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

The Group currently operates television channels in four South Indian languages predominantly to viewers in India, and also to viewers in Sri Lanka, Singapore, Malaysia, United Kingdom, Europe, Middle East, United States, Australia, South Africa and Canada. The Group's flagship channel is Sun TV. The other major satellite channels of the Group are Surya TV, Gemini TV and Udaya TV. The Group is also into the business of FM Radio broadcasting at Chennai, Coimbatore and Tirunelveli. The Company also has the license to operate an Indian Premier League ('IPL') franchise "Sun Risers Hyderabad". KRL operates 24 Frequency Modulation ('FM') stations in South India. SAFML operates 35 FM stations.

**SAFML's strategic alliance with Red FM**

The Group, through its joint venture 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.

SAFML has executed certain agreements with the promoters of Red FM by which it has obtained joint control over the following Red FM Companies:

| Name                                              | Effective holding of the Group |                |
|---------------------------------------------------|--------------------------------|----------------|
|                                                   | March 31, 2017                 | March 31, 2016 |
| Pioneer Radio Training Services Private Limited** | 29.06%                         | 29.06%         |
| South Asia Multimedia Private Limited**           | 29.06%                         | 29.06%         |
| Optimum Media Services Private Limited**          | 29.06%                         | 29.06%         |
| Asia Radio Broadcast Private Limited**            | 29.06%                         | 29.06%         |
| Digital Radio (Delhi) Broadcasting Limited**      | 29.06%                         | 29.06%         |
| Digital Radio (Mumbai) Broadcasting Limited**     | 29.06%                         | 29.06%         |
| Digital Radio (Kolkata) Broadcasting Limited**    | 29.06%                         | 29.06%         |

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Apart from the above, by virtue of the Equity investments made, the Group has obtained significant influence in the following Red FM Companies :

| Name                                                 | Effective holding of the Group |                |
|------------------------------------------------------|--------------------------------|----------------|
|                                                      | March 31, 2017                 | March 31, 2016 |
| Deccan Digital Networks (Hyderabad) Private Limited* | 17.22%                         | 17.22%         |
| Metro Digital Networks (Hyderabad) Private Limited*  | 17.22%                         | 17.22%         |
| AV Digital Networks (Hyderabad) Private Limited*     | 17.22%                         | 17.22%         |

\* - SAFML's effective holding is 28.99%.

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

## 2. Summary of significant accounting policies

### a) Basis of preparation of financial statements

The consolidated financial statements ('CFS') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies ( Indian Accounting Standards) Amendment Rules, 2016, as amended . For all periods upto and including the year ended March 31, 2016, the Group has prepared its consolidated financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) to reflect the financial position and the results of operations of the Group. These financial statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. Refer to Note 43 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

### b) Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ☐ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ☐ Exposure, or rights, to variable returns from its involvement with the investee, and
- ☐ The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2017

**Principles of consolidation:****Subsidiary:**

- ❑ The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the Balance Sheet, at March 31, 2017 and Statement of Profit and Loss and Cash Flows of Sun TV& KRL for the year ended March 31, 2017.
- ❑ The financial statements of the Subsidiaries used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2017.
- ❑ All inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions
- ❑ Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary. Business combinations policy explains how to account for any related goodwill
- ❑ Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.
- ❑ Consolidation is applied from the date of obtaining control by the Group, till the date when the Group loses control.
- ❑ On cessation of control,
  - Derecognises the assets (including goodwill) and liabilities of the subsidiary
  - Derecognises the carrying amount of any non-controlling interests
  - Recognises the fair value of the consideration received
  - Recognises the fair value of any investment retained
  - Recognises any surplus or deficit in profit or loss
  - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

**Investments in Joint Ventures & Associates:**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associates and joint ventures is accounted for using the equity method. Under the equity method, the investment in an associate or joint ventures is initially recognized at cost. The carrying amount of the investment is adjusted to recognized changes in the Group's share of net assets of the associates or joint ventures since the acquisition date. Goodwill relating to the associates or joint ventures is included in the carrying amount of the investment and not tested for impairment individually.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The statement of profit and loss reflects the Group's share of the results of operations of the associates or joint ventures. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest of the associates or joint ventures.

If an entity's share of losses of an associates or a joint ventures equals or exceeds its interest in the associates or joint ventures (which includes any long term interest that, in substance, form part of the Group's net investment in the associates or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint ventures. If the associates or joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate or joint ventures is shown on the face of the statement of profit and loss.

The financial statement of the associates or joint ventures is prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates or joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying value, and then recognizes the loss as 'Share of profit of an associates or joint venture' in the statement of profit or loss.

Upon loss of significant influence or joint control of associates or joint ventures, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **c) Business Combinations and Goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, has been carried forward (Refer Note 46). The same first time adoption exemption is also used for joint ventures and Associates.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### **d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

An asset is treated as current when it is:

- ❑ Expected to be realized or intended to sold or consumed in normal operating cycle
- ❑ Held primarily for the purpose of trading
- ❑ Expected to be realized within twelve months after the reporting period, or
- ❑ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ❑ It is expected to be settled in normal operating cycle
- ❑ It is held primarily for the purpose of trading
- ❑ It is due to be settled within twelve months after the reporting period, or
- ❑ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### **e) Property, plant and equipment and Depreciation**

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2015.

Further, the deemed cost exemption being availed, the carrying value of property, plant and equipment's have been adjusted to recognise the asset related government grants outstanding on the transition date as deferred income in accordance with the requirements of Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings as at date of transition in accordance with paragraph 10 of Ind AS 101, respectively, as the grant is directly linked to the property, plant and equipment as clarified by Ind AS Transition Facilitation Group (ITFG) clarification Bulletin 5.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price ( including all duties and taxes after deducting trade discounts and rebates if any ) and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major expenditure is incurred, its cost is recognised in the carrying amount of the plant and equipment, if it increases the future benefits from the existing asset. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For depreciation, the Group identifies and determines cost of assets significant to the total cost of the assets having useful life that is materially different from that of the life of the principal asset.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Depreciation

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

|                                          | Years   |
|------------------------------------------|---------|
| Buildings                                | 20 – 58 |
| Plant and machinery (including aircraft) | 10 – 20 |
| Computer and related equipment           | 6       |
| Furniture and fittings                   | 15      |
| Office equipment                         | 20      |
| Motor Vehicles                           | 10      |

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

Costs incurred towards purchase of aircraft are depreciated using the straight-line method based technical assessment and a review of past history of asset usage, management's estimate of useful life of such aircrafts, i.e. 15 years.

The gross block of plant and machinery as at March 31, 2017 includes cost of program production equipment of Rs. 25.69 crores (Previous year Rs. 24.66 crores and April 1, 2015 Rs. 19.34 crores), post production equipment of Rs. 13.41 crores (Previous year Rs. 12.74 crores and April 1, 2015 Rs 12.33 crores), reception and distribution facilities of Rs. 74.23 crores (Previous year Rs. 67.75 crores and April 1, 2015 Rs 54.56 crores), computer and related equipment of Rs. 32.79 crores (Previous year Rs. 29.56 crores and April 1, 2015 Rs 17.94 crores) and aircraft of Rs. 365.17 crores (Previous year Rs. 255.18 crores and April 1, 2015 Rs 255.18 crores). The net block of plant and machinery as at March 31, 2017 includes the net block of program production equipment of Rs. 18.21 crores (Previous year Rs. 20.94 crores and April 1, 2015 Rs 19.34 crores), post production equipment of Rs. 7.98 crores (Previous year Rs. 9.32 crores and April 1, 2015 Rs 12.33 crores), reception and distribution facilities of Rs. 48.89 crores (Previous year Rs. 54.93 crores and April 1, 2015 Rs. 54.56 crores), computer and related equipment of Rs. 14.04 crores (Previous year Rs. 19.17 crores and April 1, 2015 Rs 17.94 crores) and aircraft of Rs. 364.67 (Previous year Rs. Nil crores and April 1, 2015 Rs 255.18 crores).

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

### f) Investment Property

The Group has elected to apply the carrying value of underlying assets as measured in its Indian GAAP financial statements as the deemed cost of the Investment Property at the transition date, viz., April 1, 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

Depreciation on Investment property is provided on written down value method, using the useful lives estimated by the management. The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life of 20 to 58 years which is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying an approved valuation model (refer Note 4 of Consolidated Financial Statement).

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**g) Intangible assets and amortization**

The Group has elected to continue with the carrying value for all of its Intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2015.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

- ❑ Computer software

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

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

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

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

- ❑ Film production costs, distribution and related rights

The cost of production / acquisition of all the rights related to each movie is amortised upon the theatrical release of the movie.

- ❑ Licenses

Licenses represent one time entry fees paid to Ministry of Information and Broadcasting ('MIB') under the applicable licensing policy for Frequency Modulation ('FM') Radio broadcasting. Cost of licenses are amortised over the license period, being 15 years.

- ❑ Goodwill arising on Consolidation

The carrying amount of goodwill arising on consolidation is not amortized and is reviewed for impairment in accordance with the requirements of Indian Accounting Standard 36 "Impairment of Assets" and impairment losses are recognised wherever the carrying amount of an asset exceeds its recoverable amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### h) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

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

### i) Franchisee fees

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

### j) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

### k) 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. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

- ❑ Advertising income and income from sale of broadcast slots are recognised when the related commercial or programme is telecast.
- ❑ International subscription income represents income from the export of program software content, and is recognised as and when the services being rendered in accordance with the terms of agreements with customers.
- ❑ Subscription income represents subscription fees billed to cable operators and Direct to Home ('DTH') service providers towards pay-channels operated by the Group, and are recognised in the period during which the service is provided. Subscription fees billed to cable operators are determined based on number of subscription points to which the service is provided based on relevant agreements with such cable operators (along with management's best estimates of such subscription points wherever applicable), at contractually agreed rates with the Group's authorised distributor. Subscription income from DTH customers is recognised as and when services are rendered to the customer in accordance with the terms of agreements entered into with the service providers.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

- ❑ Revenues from sale of movie distribution rights are recognised in accordance with the terms of agreements with customers.
- ❑ Income from content trading represent revenue earned from mobile service providers and DTH service providers through exploitation of content owned by the Group. Income is recognised as per the terms of contract with the respective service providers and based on the services being rendered to the service provider.
- ❑ Income from Indian Premier League represents following:

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

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

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

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

- ❑ Revenues from barter transactions, and the related costs, are recorded at fair values of the services received or if the same cannot be measured reliably, then the fair value of the services rendered, as estimated by management.
- ❑ For all debt instruments, interest income is recorded using the effective interest rate (EIR). Finance income is included in other income in the statement of profit and loss.
- ❑ Dividend income is recognised when the right to receive payment is established, which is generally when shareholders of the investee entity approve the dividend.
- ❑ Rental income arising from operating leases on investment properties is accounted for based on the terms of the agreements and is included in other income in the statement of profit or loss.
- ❑ Export incentives are recognized on availment of the benefits under the respective schemes.

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

**l) Retirement and other employee benefits**

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

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ('OCI') in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- ❑ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ❑ Net interest expense or income

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

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

### m) Taxes

Tax expense comprises current and deferred tax.

#### a. Current income-tax

Current income-tax asset and liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ❑ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❑ In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ❑ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❑ In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is recognised as "MAT Credit Entitlement" as deferred tax asset, and is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**n) Earnings per share (EPS)**

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

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

**o) Operating leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

Operating leases (where the Group is the lessee)

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

Operating leases (where the Group is the lessor)

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

**p) Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management operations.

**q) Foreign currency transactions**

The Group's consolidated financial statements are presented in Indian Rupees, which is the parent's and subsidiaries functional currency.

Initial recognition

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Conversion

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

### Exchange differences

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

### r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the Note No. 38 and 39 of the financial statements.

### s) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***t) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets***Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)

*Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

*Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Group doesn't have any debt instruments that qualify for FVTOCI classification.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss account. The Group does not have any financial asset under this category.

*Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. However there are no such instruments that have been classified through FVTOCI and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

*Equity investment in Joint Venture*

Investment in joint venture is accounted using equity method in the consolidated financial statements as mandated under Ind AS 28.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms as a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### Initial recognition and measurement

The Group's financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

#### Subsequent measurement

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**u) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**v) Contingent liabilities**

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

**w) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and depreciated / released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**x) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs include the cost incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of good is determined on a FIFO basis.

**y) Segment reporting**

Based on internal reporting provided to the Chief operating decision maker, the Group's operations predominantly related to Media and Entertainment and, accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

**z) Recent accounting pronouncements**

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

**aa) Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 3 - Property, Plant & Equipment

|                                                    | Freehold Land | Buildings     | Plant and Machinery | Office Equipment | Furniture and Fittings | Leasehold Improvements | Motor vehicles* | Total         |
|----------------------------------------------------|---------------|---------------|---------------------|------------------|------------------------|------------------------|-----------------|---------------|
| <b>Gross Block (Also refer note- 2(e))</b>         |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                                   | 87.73         | 180.31        | 359.35              | 37.64            | 39.26                  | 7.24                   | 7.26            | 718.79        |
| Additions                                          | -             | 3.00          | 32.71               | 2.38             | 0.51                   | 0.69                   | 0.94            | 40.23         |
| Disposals                                          | -             | -             | (2.17)              | (0.07)           | (0.03)                 | -                      | (0.79)          | (3.06)        |
| <b>At March 31, 2016</b>                           | <b>87.73</b>  | <b>183.31</b> | <b>389.89</b>       | <b>39.95</b>     | <b>39.74</b>           | <b>7.93</b>            | <b>7.41</b>     | <b>755.96</b> |
| Additions                                          | -             | 0.86          | 379.90              | 2.48             | 0.40                   | -                      | 3.69            | 387.33        |
| Transfer to Investment properties (Refer note-4)   | -             | (0.20)        | -                   | -                | -                      | -                      | -               | (0.20)        |
| Disposals                                          | -             | -             | (258.50)            | (0.27)           | (0.01)                 | -                      | (0.87)          | (259.65)      |
| <b>At March 31, 2017</b>                           | <b>87.73</b>  | <b>183.97</b> | <b>511.29</b>       | <b>42.16</b>     | <b>40.13</b>           | <b>7.93</b>            | <b>10.23</b>    | <b>883.44</b> |
| <b>Depreciation</b>                                |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                                   | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Charge for the year ( Refer note - 28 )            | -             | 12.83         | 43.91               | 5.53             | 7.30                   | 2.41                   | 2.10            | 74.08         |
| Impairment                                         | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Disposals                                          | -             | -             | (0.41)              | -                | (0.01)                 | -                      | (0.62)          | (1.04)        |
| <b>At March 31, 2016</b>                           | <b>-</b>      | <b>12.83</b>  | <b>43.50</b>        | <b>5.53</b>      | <b>7.29</b>            | <b>2.41</b>            | <b>1.48</b>     | <b>73.04</b>  |
| Charge for the year ( Refer note - 28 )            | -             | 11.75         | 28.23               | 5.02             | 5.93                   | 2.29                   | 2.10            | 55.32         |
| Transfer to Investment Properties (Refer note - 4) | -             | (0.01)        | -                   | -                | -                      | -                      | -               | (0.01)        |
| Disposals                                          | -             | -             | (14.23)             | (0.06)           | -                      | -                      | (0.34)          | (14.63)       |
| <b>At March 31, 2017</b>                           | <b>-</b>      | <b>24.57</b>  | <b>57.50</b>        | <b>10.49</b>     | <b>13.22</b>           | <b>4.70</b>            | <b>3.24</b>     | <b>113.72</b> |
| <b>Provision for Impairment</b>                    |               |               |                     |                  |                        |                        |                 |               |
| At April 1, 2015                                   | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Charge for the year (Refer note - 30)              | -             | -             | 242.03              | -                | -                      | -                      | -               | 242.03        |
| Disposals                                          | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| <b>At March 31, 2016</b>                           | <b>-</b>      | <b>-</b>      | <b>242.03</b>       | <b>-</b>         | <b>-</b>               | <b>-</b>               | <b>-</b>        | <b>242.03</b> |
| Charge for the year                                | -             | -             | -                   | -                | -                      | -                      | -               | -             |
| Disposals / Reversal                               | -             | -             | (242.03)            | -                | -                      | -                      | -               | (242.03)      |
| <b>At March 31, 2017</b>                           | <b>-</b>      | <b>-</b>      | <b>-</b>            | <b>-</b>         | <b>-</b>               | <b>-</b>               | <b>-</b>        | <b>-</b>      |
| <b>Net Block</b>                                   |               |               |                     |                  |                        |                        |                 |               |
| At March 31, 2016                                  | 87.73         | 170.48        | 104.36              | 34.42            | 32.45                  | 5.52                   | 5.93            | 440.89        |
| At March 31, 2017                                  | 87.73         | 159.40        | 453.79              | 31.67            | 26.91                  | 3.23                   | 6.99            | 769.72        |

**\*Note 1:** Under certain arrangements between the Group and its Directors, the Group had, from time to time, made payments to vendors for the purpose of acquiring vehicles, which are registered in the names of those Directors. The terms of these arrangements provide for such vehicles to be maintained, operated and used exclusively by the Group for the purpose of its business. The original cost and net book value of such vehicles as at March 31, 2017 are Rs 0.17 crores and Rs 0.08 crores respectively (March 31, 2016 - Rs 0.17 crores and Rs 0.10 crores respectively).

**Note 2: Impairment of non-financial assets:**

During the year ended March 31, 2016, Group's aircraft sustained damages due to floods in Chennai and an Impairment loss of Rs. 242.03 crores had been recognised in the books, representing the written-down value of the same. This was recognised in the statement of profit and loss during the previous year. In the current year, disposal of this asset has been recorded on receipt of related insurance claim.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 4. Investment Properties**

| <b>Particulars</b>                               | <b>Amount</b> |
|--------------------------------------------------|---------------|
| <b>Cost (Also refer note - 2(f))</b>             |               |
| <b>Opening balance at April 1, 2015</b>          | <b>13.69</b>  |
| Additions during the year                        | 0.28          |
| <b>Closing balance as at March 31, 2016</b>      | <b>13.97</b>  |
| Additions during the year                        | 0.40          |
| Transfer from Property, Plant & Equipment (PP&E) | 0.20          |
| <b>Closing balance as at March 31, 2017</b>      | <b>14.57</b>  |
| <b>Depreciation and impairment</b>               |               |
| Opening balance at April 1, 2015                 | -             |
| Depreciation during the year (Refer note - 28)   | 0.94          |
| <b>Closing balance as at March 31, 2016</b>      | <b>0.94</b>   |
| Depreciation during the year (Refer note - 28)   | 0.91          |
| Transfer from Property, Plant & Equipment (PP&E) | 0.01          |
| <b>Closing balance as at March 31, 2017</b>      | <b>1.86</b>   |
| <b>Net Block</b>                                 |               |
| As at April 1, 2015                              | 13.69         |
| As at March 31, 2016                             | 13.03         |
| As at March 31, 2017                             | 12.71         |

**Information regarding income and expenditure of Investment properties**

| <b>Particulars</b>                                                                         | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> |
|--------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Rental income derived from investment properties                                           | 3.54                      | 3.29                      |
| Direct operating expenses (including repairs and maintenance) generating rental income     | 1.20                      | 1.33                      |
| <b>Profit arising from investment properties before depreciation and indirect expenses</b> | <b>2.34</b>               | <b>1.96</b>               |
| Less – Depreciation                                                                        | 0.91                      | 0.94                      |
| <b>Profit arising from investment properties before indirect expenses</b>                  | <b>1.43</b>               | <b>1.02</b>               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The Group's investment properties consists of office premises let out on lease.

As at March 31, 2017, March 31, 2016 and April 1, 2015 the fair values of the properties are Rs. 75.75 crores, Rs. 67.41 crores and Rs. 58.18 crores respectively.

These valuations are based on valuations performed by an accredited independent valuer. The valuer is a specialist in valuing these types of investment properties. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The Group has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 39.

### Reconciliation of fair value:

|                                             | Investment properties |
|---------------------------------------------|-----------------------|
|                                             | Amount                |
| <b>Opening balance as at April 1, 2015</b>  | <b>58.18</b>          |
| Fair value difference                       | 8.95                  |
| Additions                                   | 0.28                  |
| <b>Opening balance as at April 1, 2016</b>  | <b>67.41</b>          |
| Fair value difference                       | 7.74                  |
| Additions                                   | 0.60                  |
| <b>Closing balance as at March 31, 2017</b> | <b>75.75</b>          |

### Description of valuation techniques used and key inputs to valuation on investment properties:

The Group has fair valued the office premises property let out on lease using Market approach method.

### Significant unobservable Inputs

The independent valuer has made detailed study of prevailing market rate for the commercial buildings in the areas wherein the office premises property is being let out by the Group. This has been adjusted for amenities, depreciation and other lease hold improvement made by the Group to the respective properties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 5 - Intangible Assets**

|                                    | <b>Film and Program<br/>Broadcasting<br/>Rights</b> | <b>Film production<br/>costs, Distribution<br/>and Related<br/>Rights</b> | <b>Computer<br/>Software</b> | <b>Licenses</b> | <b>Total</b>    |
|------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|------------------------------|-----------------|-----------------|
| <b>Gross Block</b>                 |                                                     |                                                                           |                              |                 |                 |
| Deemed cost as at                  |                                                     |                                                                           |                              |                 |                 |
| April 1, 2015                      | 357.30                                              | -                                                                         | 2.35                         | 23.15           | 382.80          |
| Additions                          | 424.29                                              | 7.50                                                                      | 6.54                         | -               | 438.33          |
| Disposals                          | (16.14)                                             | -                                                                         | -                            | -               | (16.14)         |
| <b>At March 31, 2016</b>           | <b>765.45</b>                                       | <b>7.50</b>                                                               | <b>8.89</b>                  | <b>23.15</b>    | <b>804.99</b>   |
| Additions                          | 275.67                                              | -                                                                         | 1.23                         | 105.18          | 382.08          |
| Disposals                          | (24.23)                                             | -                                                                         | -                            | -               | (24.23)         |
| <b>At March 31, 2017</b>           | <b>1,016.89</b>                                     | <b>7.50</b>                                                               | <b>10.12</b>                 | <b>128.33</b>   | <b>1,162.84</b> |
| <b>Amortization and Impairment</b> |                                                     |                                                                           |                              |                 |                 |
| At April 1, 2015                   | -                                                   | -                                                                         | -                            | -               | -               |
| Charge for the year                |                                                     |                                                                           |                              |                 |                 |
| (Refer Note - 28)                  | 401.96                                              | 7.50                                                                      | 2.30                         | 9.92            | 421.68          |
| Disposals                          | (16.14)                                             | -                                                                         | -                            | -               | (16.14)         |
| <b>At March 31, 2016</b>           | <b>385.82</b>                                       | <b>7.50</b>                                                               | <b>2.30</b>                  | <b>9.92</b>     | <b>405.54</b>   |
| Charge for the year                |                                                     |                                                                           |                              |                 |                 |
| (Refer Note - 28)                  | 333.24                                              | -                                                                         | 3.51                         | 7.47            | 344.22          |
| Disposals                          | (24.23)                                             | -                                                                         | -                            | -               | (24.23)         |
| <b>At March 31, 2017</b>           | <b>694.83</b>                                       | <b>7.50</b>                                                               | <b>5.81</b>                  | <b>17.39</b>    | <b>725.53</b>   |
| <b>Net Block</b>                   |                                                     |                                                                           |                              |                 |                 |
| <b>At March 31, 2016</b>           | <b>379.63</b>                                       | <b>-</b>                                                                  | <b>6.59</b>                  | <b>13.23</b>    | <b>399.45</b>   |
| <b>At March 31, 2017</b>           | <b>322.06</b>                                       | <b>-</b>                                                                  | <b>4.31</b>                  | <b>110.94</b>   | <b>437.31</b>   |

**Note 6. Information on Joint Venture****South Asia FM Limited**

The Group has a 59.44% interest in South Asia FM Limited. South Asia FM Limited is engaged in producing and broadcasting of FM radio software programming in Indian regional languages. The Group's interest in South Asia FM Limited is accounted for using the equity method in the consolidated financial statements. The equity methods applied on the Consolidated Ind AS financial statement of the Joint Venture. The information of other investees of South Asia FM limited are also part of the disclosure below. Summarised financial information of the joint venture, based on its Consolidated Ind AS financial statements, and reconciliation with the carrying amount of the investment in Consolidated Financial Statements are set out below:

Summarised Consolidated Ind AS Balance Sheet as at March 31, 2017:

| <b>Particulars</b>                  | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| Current assets                      | 110.42                | 264.47                | 61.37                |
| Non-current assets                  | 634.42                | 400.62                | 281.55               |
| Current liabilities                 | (46.27)               | (27.22)               | (21.48)              |
| Non-current liabilities             | (12.77)               | (0.44)                | (0.01)               |
| <b>Equity</b>                       | <b>685.80</b>         | <b>637.43</b>         | <b>321.43</b>        |
| Proportion of the Group's ownership | 59.44%                | 59.44%                | 59.15%               |
| Carrying amount of the investment   | 407.64                | 378.89                | 190.13               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Summarised Consolidated statement of profit and loss of the South Asia FM Limited:

|                                                  | March 31, 2017 | March 31, 2016 |
|--------------------------------------------------|----------------|----------------|
| Income                                           | 141.54         | 116.03         |
| Expense                                          | (92.38)        | (72.42)        |
| <b>Profit before tax</b>                         | <b>49.16</b>   | <b>43.61</b>   |
| Income tax expense                               | -              | -              |
| <b>Profit for the year</b>                       | <b>49.16</b>   | <b>43.61</b>   |
| <b>Share of Profits / (loss) from Associates</b> | <b>(1.34)</b>  | <b>8.32</b>    |
| <b>Total comprehensive income for the year</b>   | <b>47.82</b>   | <b>51.93</b>   |
| <b>Group's share of profit for the year</b>      | <b>28.75</b>   | <b>30.95</b>   |

### Note 7. Financial assets (non-current)

| Investments - Investments at Amortised Cost:                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| Investment in Tax Free Bonds<br>(unquoted) (Refer note 7.1)               | 194.92                  | -                       | -                      |
| <b>Aggregate amount of unquoted investments<br/>at Amortised Cost (A)</b> | <b>194.92</b>           | <b>-</b>                | <b>-</b>               |
| <b>Other Financial Assets at Amortised Cost</b>                           |                         |                         |                        |
| <b>Security Deposit (Considered good)</b>                                 |                         |                         |                        |
| Rental and other deposits                                                 | 7.08                    | 6.72                    | 6.76                   |
| Deposits with Government agencies                                         | 3.33                    | 3.98                    | 3.66                   |
| <b>Others (Considered good)</b>                                           |                         |                         |                        |
| Bank Balances other than cash and cash equivalents                        | 53.28                   | 8.99                    | 7.84                   |
| <b>Total Other Financial assets at Amortised Cost (B)</b>                 | <b>63.69</b>            | <b>19.69</b>            | <b>18.26</b>           |
| <b>Total Financial Assets at Amortised Cost (A + B)</b>                   | <b>258.61</b>           | <b>19.69</b>            | <b>18.26</b>           |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 7.1 - Investment in tax free bonds**

|                                                          | As at March 31, 2017 |              |                |
|----------------------------------------------------------|----------------------|--------------|----------------|
|                                                          | No of Units          | Face Value   | Carrying Value |
| <b>Unquoted Tax free bonds</b>                           |                      |              |                |
| Housing and Urban Development Corporation Ltd-8.10       | 4,59,100             | 1,000.00     | 49.21          |
| India Infrastructure Finance Company Limited-6.86        | 2,00,000             | 1,000.00     | 20.41          |
| India Infrastructure Finance Company Limited-8.41        | 50,000               | 1,000.00     | 5.54           |
| Indian Railway Finance Corporation Limited-6.70          | 800                  | 1,00,000.00  | 8.10           |
| Indian Railway Finance Corporation Limited-6.72          | 3,100                | 1,00,000.00  | 31.41          |
| Indian Railway Finance Corporation Limited-7.18          | 2,00,000             | 1,000.00     | 20.75          |
| Indian Railway Finance Corporation Limited-8.00          | 1,00,000             | 1,000.00     | 10.68          |
| National Bank for Agriculture and Rural Development-7.04 | 40,000               | 1,000.00     | 4.15           |
| National Highways Authority of India-8.27                | 3,00,000             | 1,000.00     | 33.10          |
| National Housing Bank-6.89                               | 11                   | 10,00,000.00 | 1.12           |
| National Housing Bank-7.17                               | 50                   | 10,00,000.00 | 5.19           |
| NTPC Limited-7.15                                        | 50                   | 10,00,000.00 | 5.26           |

**Aggregate amount of unquoted investments****194.92**

The Group's investment in tax free bonds primarily consists of bonds purchased from Government Companies.

The valuations for tax free bonds are based on valuations performed by an accredited independent valuer. The valuer is a specialist in valuing these types of Bonds. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The Group has no restrictions on the disposal of its tax free bonds

Fair value hierarchy disclosures for investment in tax free bonds provided in Note No.39

**Description of valuation techniques used and key inputs to valuation on investment in tax free bonds:**

The Group has fair valued the Tax free bonds using IMAcS standard methodology which captures the market condition as on the given day of valuation on T+1 basis.

**Significant unobservable Inputs**

The independent valuer has made detailed study based on standard methodology for scrip Level Valuation and have considered the available secondary market and primary market trades for valuation of bonds on reporting date. Outlier trades if any are identified and excluded. Widespread polling is also conducted with market participants to understand the movement in levels. In the case of illiquid instruments, the valuation is arrived at based on the value bonds with similar maturity issued by similar issuers or securities are linked to a benchmark and a spread over benchmark is arrived at and the same is carried forward.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

## Note 8. Other current and non-current assets

| Other non-current assets                                                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Unsecured and considered good</b>                                                    |                         |                         |                        |
| Capital advances                                                                        |                         |                         |                        |
| Considered good                                                                         | 77.76                   | 59.34                   | 172.65                 |
| Considered doubtful                                                                     | 30.81                   | 26.58                   | 18.22                  |
|                                                                                         | <b>108.57</b>           | <b>85.92</b>            | <b>190.87</b>          |
| Impairment allowance for doubtful capital advances                                      | (30.81)                 | (26.58)                 | (18.22)                |
| <b>(A)</b>                                                                              | <b>77.76</b>            | <b>59.34</b>            | <b>172.65</b>          |
| <br>Balances with statutory/government authorities                                      |                         |                         |                        |
| Considered good                                                                         | 74.02                   | 60.18                   | 60.18                  |
| Considered doubtful                                                                     | -                       | -                       | 2.21                   |
|                                                                                         | <b>74.02</b>            | <b>60.18</b>            | <b>62.39</b>           |
| Impairment allowance for doubtful balances with<br>Statutory and Government Authorities | -                       | -                       | (2.21)                 |
| <b>(B)</b>                                                                              | <b>74.02</b>            | <b>60.18</b>            | <b>60.18</b>           |
| <br>Prepaid expenses                                                                    | 2.98                    | 1.12                    | 0.72                   |
| Others                                                                                  | 0.19                    | 1.65                    | 7.66                   |
| <b>(C)</b>                                                                              | <b>3.17</b>             | <b>2.77</b>             | <b>8.38</b>            |
| <br><b>Total non-current assets</b>                                                     | <b>(A) + (B) + (C)</b>  | <b>154.95</b>           | <b>122.29</b>          |

## Other current assets

|                                                           | As at,<br>March 31, 2017 | As at,<br>March 31, 2016 | As at,<br>April 1 2015 |
|-----------------------------------------------------------|--------------------------|--------------------------|------------------------|
| <b>Advances recoverable in kind</b>                       |                          |                          |                        |
| Considered good                                           | 33.85                    | 29.34                    | 31.21                  |
| Considered doubtful                                       | 0.28                     | 2.64                     | 2.56                   |
|                                                           | <b>34.13</b>             | <b>31.98</b>             | <b>33.77</b>           |
| <br>Impairment allowance for doubtful advances            | (0.28)                   | (2.64)                   | (2.56)                 |
| <b>(A)</b>                                                | <b>33.85</b>             | <b>29.34</b>             | <b>31.21</b>           |
| <br>Prepaid expenses                                      | 12.88                    | 15.98                    | 12.39                  |
| <b>(B)</b>                                                |                          |                          |                        |
| <br>Balances with Statutory and<br>Government Authorities | 11.74                    | 0.17                     | 0.10                   |
| <b>(C)</b>                                                |                          |                          |                        |
| <b>Total current assets</b>                               | <b>(A) + (B) + (C)</b>   | <b>58.47</b>             | <b>45.49</b>           |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 9. Inventories**

|                       | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------|-------------------------|-------------------------|------------------------|
| Consumables and media | 0.89                    | 1.13                    | 0.48                   |
|                       | <b>0.89</b>             | <b>1.13</b>             | <b>0.48</b>            |

**Note 10. Financial assets (current)**

|                                                                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| Investments at fair value through profit or loss (FVTPL):                               |                         |                         |                        |
| Equity Shares (Fully Paid) - Quoted                                                     | 9.14                    | 5.73                    | 5.84                   |
| 6,04,628 (March 31, 2016 and April 1, 2015)<br>equity shares of City Union Bank Limited |                         |                         |                        |
| Investment in unquoted mutual funds (Refer note 10.1)                                   | 536.34                  | 238.14                  | 273.22                 |
| <b>Total FVTPL investments</b>                                                          | <b>545.48</b>           | <b>243.87</b>           | <b>279.06</b>          |
| <b>Aggregate book value of quoted investments</b>                                       | <b>9.14</b>             | <b>5.73</b>             | <b>5.84</b>            |
| <b>Aggregate market value of quoted investments</b>                                     | <b>9.14</b>             | <b>5.73</b>             | <b>5.84</b>            |
| <b>Aggregate value of unquoted investments</b>                                          | <b>536.34</b>           | <b>238.14</b>           | <b>273.22</b>          |

**Other Financial Assets at Amortised Cost**

|                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Advances recoverable in cash or kind</b>              |                         |                         |                        |
| Considered good                                          | 0.31                    | 0.23                    | 1.26                   |
| Considered doubtful                                      | -                       | 8.91                    | 8.91                   |
|                                                          | <b>0.31</b>             | <b>9.14</b>             | <b>10.17</b>           |
| Impairment allowance for doubtful advances               | -                       | (8.91)                  | (8.91)                 |
|                                                          | <b>0.31</b>             | <b>0.23</b>             | <b>1.26</b>            |
| Unbilled Revenues                                        | 78.44                   | 68.49                   | 80.28                  |
| Interest accrued on fixed deposits                       | 6.86                    | 7.87                    | 9.64                   |
| Advance interest and Interest accrued on Tax Free Bonds  | 3.04                    | -                       | -                      |
| Other receivables (from Related Parties - Refer note 36) | 8.40                    | 13.93                   | 12.08                  |
| Insurance claim receivables                              | -                       | 260.00                  | -                      |
| <b>Total Other Financial assets at Amortised Cost</b>    | <b>97.05</b>            | <b>350.52</b>           | <b>103.26</b>          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 10.1 Investment in unquoted mutual funds

|                                                                                         | As at<br>March 31, 2017 |        | As at<br>March 31, 2016 |        | As at<br>April 1, 2015 |        |
|-----------------------------------------------------------------------------------------|-------------------------|--------|-------------------------|--------|------------------------|--------|
|                                                                                         | No of Units             | Amount | No of Units             | Amount | No of Units            | Amount |
| <b>Unquoted Mutual Funds</b>                                                            |                         |        |                         |        |                        |        |
| HDFC FMP 1167D January 2016 (1)-<br>Regular-Growth                                      | 1,00,32,777             | 11.08  | 1,00,32,777             | 10.19  | -                      | -      |
| HDFC FMP 1183D January 2016 (1)-<br>Regular-Growth-Series-35                            | 1,00,06,421             | 11.10  | 1,00,06,421             | 10.18  | -                      | -      |
| Reliance Fixed Horizon Fund-XXX-<br>Series 2-Growth Plan                                | 80,03,144               | 8.90   | 80,03,144               | 8.14   | -                      | -      |
| IDFC Corporate Bond Fund Regular<br>Plan-Growth                                         | 60,38,876               | 6.75   | 60,38,876               | 6.15   | -                      | -      |
| ICICI Prudential FMP Series78-1190 Days<br>Plan E RegularPlan Cumulative                | 60,00,000               | 6.67   | 60,00,000               | 6.11   | -                      | -      |
| Franklin India Corporate Bond Opportunities<br>Fund-Growth                              | 53,04,808               | 8.86   | 53,04,808               | 8.00   | -                      | -      |
| HDFC FMP 453D February 2014 (1) Series 29-<br>Regular-Growth                            | 52,76,064               | 6.84   | 52,76,064               | 6.34   | 52,76,064              | 5.84   |
| Reliance Fixed Horizon Fund-XXVI-Series 2<br>-Growth Plan                               | 52,40,000               | 6.73   | 52,40,000               | 6.23   | 52,40,000              | 5.76   |
| Franklin India Ultra Short Bond Fund-Super<br>Institutional Plan-Growth                 | 51,02,424               | 11.36  | 51,02,424               | 10.37  | -                      | -      |
| ICICI Prudential FMP Series72-440 Days<br>Plan L Direct Plan Cumulative                 | 50,90,326               | 6.63   | 50,90,326               | 6.15   | 50,90,326              | 5.66   |
| Sundaram Fixed Term Plan Hi Regular Growth                                              | 50,71,262               | 5.62   | 50,71,262               | 5.14   | -                      | -      |
| ICICI Prudential FMP Series78-1168 Days Plan<br>-I-Growth                               | 50,15,595               | 5.56   | 50,15,595               | 5.09   | -                      | -      |
| HDFC FMP 372D Dec 2013(1) Series 29<br>-Regular-Growth                                  | -                       | -      | 50,00,000               | 6.07   | -                      | -      |
| DSP BlackRock FMP-Series 150-13M-Reg-<br>Growth                                         | 50,00,000               | 6.44   | 50,00,000               | 5.97   | 50,00,000              | 5.51   |
| Birla Sun Life Fixed Term Plan -Series KR<br>(1124days)-Gr. Regular385days+739<br>days) | 50,00,000               | 6.42   | 50,00,000               | 5.95   | -                      | -      |
| UTI Fixed Term Income FundSeries XVIII-IV<br>(1127 Days)Growth Plan 366days+761days)    | 50,00,000               | 6.40   | 50,00,000               | 5.92   | -                      | -      |
| Kotak FMP Series 191-Growth                                                             | 50,00,000               | 5.47   | 50,00,000               | 5.02   | -                      | -      |
| IDFC Corporate Bond FundRegular Plan-Growth                                             | 49,28,779               | 5.51   | 49,28,779               | 5.01   | -                      | -      |
| HDFC Short Term Plan-Growth                                                             | 37,12,876               | 12.03  | 37,12,876               | 10.99  | 37,12,876              | 10.04  |
| ICICI Prudential FMP Series<br>68-369 Days Plan 1 Regular<br>Plan Cumulative            | -                       | -      | 30,00,000               | 3.82   | 30,00,000              | 3.53   |
| Birla Sun Life Fixed Term Plan-Series KI<br>(1099days)-Gr.Regular 368days+731days       | 30,00,000               | 3.86   | 30,00,000               | 3.60   | -                      | -      |
| Reliance Regular Savings Fund-Debt Plan-Growth<br>Plan-Growth Option                    | 28,87,336               | 6.54   | 28,87,336               | 5.96   | -                      | -      |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                                                                        | As at<br>March 31, 2017 |        | As at<br>March 31, 2016 |        | As at<br>April 1, 2015 |        |
|------------------------------------------------------------------------|-------------------------|--------|-------------------------|--------|------------------------|--------|
|                                                                        | No of Units             | Amount | No of Units             | Amount | No of Units            | Amount |
| Reliance Dynamic Bond Fund-Growth Plan--Growth Option                  | 26,40,613               | 5.90   | 26,40,613               | 5.30   | 26,40,613              | 5.02   |
| Tata Short Term Bond Fund Regular Plan-Growth                          | 26,35,816               | 8.06   | 26,35,816               | 7.42   | -                      | -      |
| Kotak FMP Series 190-Growth                                            | 25,00,000               | 2.76   | 25,00,000               | 2.53   | -                      | -      |
| DHFL Pramerica Short Maturity Fund-Growth                              | 21,90,382               | 6.53   | 21,90,382               | 5.96   | -                      | -      |
| Birla Sun Life Dynamic Bond Fund-Retail-Growth Regular Plan            | 20,22,637               | 5.87   | 20,22,637               | 5.33   | -                      | -      |
| DHFL Pramerica Short Maturity Fund-Growth                              | 19,96,614               | 5.95   | 19,96,614               | 5.43   | -                      | -      |
| Reliance Short Term Fund-Growth Plan-Growth Option                     | 19,17,994               | 5.91   | 19,17,994               | 5.42   | 19,17,994              | 4.83   |
| ICICI Prudential Short Term-Regular Plan-Growth Option                 | 17,18,266               | 5.86   | 17,18,266               | 5.32   | -                      | -      |
| IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)     | 14,65,936               | 5.93   | 14,65,936               | 5.26   | -                      | -      |
| IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)     | 12,93,381               | 5.23   | 12,93,381               | 4.63   | -                      | -      |
| HDFC High Interest Fund-Short Term Plan-Growth                         | 12,48,546               | 4.08   | 12,48,546               | 3.70   | -                      | -      |
| SBI Magnum Income Fund-Regular Plan-Growth                             | 11,84,059               | 4.78   | 11,84,059               | 4.24   | -                      | -      |
| Birla Sun Life Treasury Optimizer Plan-Growth-Regular Plan             | 1,97,898                | 4.12   | 1,97,898                | 3.73   | 2,53,237               | 4.40   |
| Kotak Corporate Bond Fund Standard Growth (Regular Plan)               | 46,607                  | 9.96   | 46,607                  | 9.13   | -                      | -      |
| Axis Banking Debt Fund-Growth(BDGP)                                    | 82,159                  | 5.47   | 36,547                  | 5.06   | 1,96,203               | 25.08  |
| Kotak Low Duration Fund Standard Growth (Regular Plan)                 | 82,159                  | 16.29  | -                       | -      | -                      | -      |
| IDFC Banking Debt Fund-Regular Plan-Growth                             | 49,57,187               | 6.91   | -                       | -      | -                      | -      |
| Sundaram Fixed Term Plan HM Direct Growth                              | 1,00,00,000             | 10.76  | -                       | -      | -                      | -      |
| Kotak FMP Series 196 Direct-Growth                                     | 2,00,00,000             | 21.24  | -                       | -      | -                      | -      |
| Reliance Fixed Horizon Fund-XXXI-Series 7-Direct Growth Plan           | 2,00,00,000             | 21.19  | -                       | -      | -                      | -      |
| ICICI Prudential FMP Series 79-1120 Days Plan J Direct Plan Cumulative | 89,10,560               | 9.40   | -                       | -      | -                      | -      |
| DHFL Pramerica Fixed Duration Fund-Series 29-Direct Plan-Growth        | 1,00,000                | 10.57  | -                       | -      | -                      | -      |
| Birla Sun Life Fixed Term Plan-Series NR (1099 days)-Gr.Direct         | 2,00,00,000             | 21.08  | -                       | -      | -                      | -      |
| Reliance Fixed Horizon Fund-XXXI-Series 8 -Direct Growth Plan          | 2,00,00,000             | 21.11  | -                       | -      | -                      | -      |
| Sundaram Fixed Term Plan HS Direct Growth                              | 50,01,918               | 5.26   | -                       | -      | -                      | -      |
| Birla Sun Life Fixed Term Plan-Series NT (1099 days)-Gr.Direct         | 2,00,00,000             | 21.02  | -                       | -      | -                      | -      |
| DHFL Pramerica Fixed Duration Fund-Series 31 Direct Plan-Growth        | 1,00,251                | 10.54  | -                       | -      | -                      | -      |
| Reliance Fixed Horizon Fund-XXXI-Series 9 -Direct GrowthPlan           | 2,00,00,000             | 21.02  | -                       | -      | -                      | -      |
| DSP BlackRock Money ManagerFund-Direct Plan-Growth                     | 42,083                  | 9.40   | -                       | -      | -                      | -      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

|                                                  | As at<br>March 31, 2017 |        | As at<br>March 31, 2016 |        | As at<br>April 1, 2015 |        |
|--------------------------------------------------|-------------------------|--------|-------------------------|--------|------------------------|--------|
|                                                  | No of Units             | Amount | No of Units             | Amount | No of Units            | Amount |
| SBI Debt Fund Series-B-43 (1100 Days)-           |                         |        |                         |        |                        |        |
| Direct Growth                                    | 1,00,00,000             | 10.47  | -                       | -      | -                      | -      |
| ICICI Prudential FMP Series 79-1104 Days Plan P  |                         |        |                         |        |                        |        |
| Direct Plan Cumulative                           | 1,00,00,000             | 10.42  | -                       | -      | -                      | -      |
| Reliance Floating Rate Fund                      |                         |        |                         |        |                        |        |
| -Short Term Plan-Direct Growth Plan              | 24,89,306               | 6.55   | -                       | -      | -                      | -      |
| Birla Sun Life Cash Plus-Growth-Direct Plan      | 4,21,076                | 11.00  | -                       | -      | -                      | -      |
| HDFC Floating Rate Income Fund-Short Term Plan-  |                         |        |                         |        |                        |        |
| Wholesale Option-Growth                          | 57,27,332               | 16.19  | -                       | -      | -                      | -      |
| Tata Ultra Short Term Fund Regular Plan-Growth   | 77,597                  | 19.13  | -                       | -      | -                      | -      |
| Tata Money Market Fund Regular Plan-Growth       | 42,743                  | 10.91  | -                       | -      | -                      | -      |
| SBI Ultra Short Term Debt Fund-Regular           |                         |        |                         |        |                        |        |
| Plan-Growth                                      | 50,927                  | 10.70  | -                       | -      | -                      | -      |
| UTI Treasury Advantage Fund                      |                         |        |                         |        |                        |        |
| -Institutional Plan                              |                         |        |                         |        |                        |        |
| (Daily Dividend Option)                          |                         |        |                         |        |                        |        |
| -Reinvestment                                    | -                       | -      | -                       | -      | 61,140                 | 6.13   |
| IDFC-SSIF-Short Term-Plan A-Fortnightly Dividend | -                       | -      | -                       | -      | 33,90,087              | 3.51   |
| HDFC High Interest Fund-Short Term Plan-Dividend | -                       | -      | -                       | -      | 31,64,683              | 3.36   |
| Axis Short Term Fund-Institutional Regular       |                         |        |                         |        |                        |        |
| Dividend Reinvestment                            | -                       | -      | -                       | -      | 43,82,576              | 4.45   |
| Templeton India Low Duration Fund-Monthly        |                         |        |                         |        |                        |        |
| Dividend Reinvestment                            | -                       | -      | -                       | -      | 93,19,116              | 9.78   |
| HDFC FMP 372D Dec 2013-1-                        |                         |        |                         |        |                        |        |
| Regular-GR                                       | -                       | -      | -                       | -      | 50,00,000              | 5.60   |
| Birla Sun Life Fixed Term Plan-                  |                         |        |                         |        |                        |        |
| Series KI (1099days)-Gr.Regular                  | -                       | -      | -                       | -      | 30,00,000              | 3.31   |
| IDFC Fixed Term Plan Series 77                   |                         |        |                         |        |                        |        |
| Regular Plan -Growth (399 Days)                  | -                       | -      | -                       | -      | 40,00,000              | 4.41   |
| Birla Sun Life Fixed Term Plan -                 |                         |        |                         |        |                        |        |
| Series KR (385 days)-Gr. Regular                 | -                       | -      | -                       | -      | 50,00,000              | 5.50   |
| IDBI FMP-Series IV-387 Days                      |                         |        |                         |        |                        |        |
| (March 2014)-G Regular Plan-Growth               | -                       | -      | -                       | -      | 20,00,000              | 2.20   |
| UTI Fixed Term Income Fund Series                |                         |        |                         |        |                        |        |
| XVIII-IV (366 Days)-Growth Plan                  | -                       | -      | -                       | -      | 50,00,000              | 5.46   |
| ICICI Prudential Banking & PSU                   |                         |        |                         |        |                        |        |
| Debt Fund-Weekly Dividend Reinvestment           | -                       | -      | -                       | -      | 2,10,71,513            | 21.51  |
| Birla Sun Life Treasury Optimizer Plan-Monthly   |                         |        |                         |        |                        |        |
| Dividend-Regular Plan-Reinvestment               | -                       | -      | -                       | -      | 7,15,923               | 7.49   |
| IDFC Super Saver Income Fund-Short Term Plan-    |                         |        |                         |        |                        |        |
| Monthly Dividend-(Regular Plan)                  | -                       | -      | -                       | -      | 41,32,853              | 4.21   |
| DWS Short Maturity Fund-Growth                   | -                       | -      | -                       | -      | 21,90,382              | 5.51   |
| Reliance Money ManagerFund-Growth Plan-          |                         |        |                         |        |                        |        |
| Growth Option                                    | -                       | -      | -                       | -      | 94,357                 | 18.06  |
| Baroda Pioneer Liquid Fund-Plan A Growth         | -                       | -      | -                       | -      | 62,447                 | 10.02  |
| ICICI Prudential Liquid-Regular Plan-Growth      | -                       | -      | -                       | -      | 2,41,825               | 5.00   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                                                   | As at<br>March 31, 2017 |               | As at<br>March 31, 2016 |               | As at<br>April 1, 2015 |               |
|---------------------------------------------------|-------------------------|---------------|-------------------------|---------------|------------------------|---------------|
|                                                   | No of Units             | Amount        | No of Units             | Amount        | No of Units            | Amount        |
| SBI-SHF-Ultra Short Term Debt                     |                         |               |                         |               |                        |               |
| Fund- Regular Plan-Daily Dividend                 | -                       | -             | -                       | -             | 2                      | 0.00          |
| Reliance Fixed Horizon Fund-                      |                         |               |                         |               |                        |               |
| XXV-Series 19-Growth Plan                         | -                       | -             | -                       | -             | 80,48,833              | 8.93          |
| TATA Fixed Maturity Plan Series                   |                         |               |                         |               |                        |               |
| 46 Scheme M-Plan A-Growth                         | -                       | -             | -                       | -             | 50,00,000              | 5.52          |
| Kotak FMP Series 145-Growth                       | -                       | -             | -                       | -             | 76,08,565              | 8.36          |
| DWS Short Maturity Fund-Growth                    | -                       | -             | -                       | -             | 19,96,614              | 5.03          |
| Franklin India Short Term Income                  |                         |               |                         |               |                        |               |
| Plan-Retail Plan-Growth                           | -                       | -             | -                       | -             | 34,974                 | 10.05         |
| Kotak Banking & PSU Debt fund - Daily Dividend    |                         | -             |                         | -             | 37,41,073              | 3.75          |
| Axis Treasury Advantage Fund - Daily dividend     |                         | -             |                         | -             | 1,06,639               | 10.70         |
| HDFC Floating Rate Income Fund - Short Term Plan  |                         | -             |                         | -             | 5,63,112               | 0.57          |
| IDFC Dynamic Bond Fund - Quarterly dividend       |                         | -             |                         | -             | 10,86,497              | 1.15          |
| IDFC Super Saver IncomeFund - Short Term Plan     |                         |               |                         |               |                        |               |
| Growth                                            |                         | -             |                         | -             | 6,11,211               | 1.74          |
| IDFC Super Saver Income Fund -                    |                         |               |                         |               |                        |               |
| Fortnightly Dividend                              |                         | -             |                         | -             | 10,98,436              | 1.14          |
| Franklin India Low Duration                       |                         |               |                         |               |                        |               |
| Fund - Monthly Dividend Reinvested                |                         | -             |                         | -             | 39,64,582              | 2.27          |
| Franklin India Savings Plus                       |                         |               |                         |               |                        |               |
| Fund Retails option - Daily Dividend              |                         | -             |                         | -             | 10,64,244              | 5.23          |
| Tata Short term Bond Fund - Plan A - Growth       |                         | -             |                         | -             | 20,35,100              | 5.31          |
| ICICI Prudential Short Term                       |                         |               |                         |               |                        |               |
| - Regular Plan - Growth Option                    |                         | -             |                         | -             | 4,03,503               | 1.16          |
| Pramerica Liquid Fund - Daily Dividend            |                         | -             |                         | -             | 3,732                  | 0.37          |
| Pramerica Ultra Short Term Bond Fund -Direct Plan |                         | -             |                         | -             | 5,024                  | 0.50          |
| Pramerica Dynamic BondFund                        |                         | -             |                         | -             | 1,428                  | 0.15          |
| Principal Debt Opportunities                      |                         |               |                         |               |                        |               |
| Fund Conservative Plan - Direct plan growth       |                         | -             | 463                     | 0.11          | 463                    | 0.11          |
| SBI Premier Liquid fund -Regular Plan Growth      |                         | -             | 8,488                   | 2.02          |                        | -             |
| HDFC Floating Rate IncomeFund - Short Term        |                         |               |                         |               |                        |               |
| Plan - Wholesale Option Growth                    |                         | -             | 7,80,732                | 2.04          |                        | -             |
| UTI Treasury AdvantageFund - Institutional        |                         |               |                         |               |                        |               |
| Plan -Growth                                      |                         | -             | 7,387                   | 1.52          |                        | -             |
| SBI Ultra Short Term DebtFund - Regular           |                         |               |                         |               |                        |               |
| Plan Growth                                       |                         | -             | 10,418                  | 2.03          |                        | -             |
| Axis Treasury Advantage fund - Growth- (TAGPG)    |                         | -             | 6,010                   | 1.01          |                        | -             |
| IDFC Money Manager FundInvestment Plan -          |                         |               |                         |               |                        |               |
| Growth- Regular Plan                              |                         | -             | 4,31,758                | 1.01          |                        | -             |
| Pramerica Insta Cash Plus Fund - Direct Plan      |                         |               |                         |               |                        |               |
| - Daily Dividend Reinvestment                     |                         | -             | 1,01,172                | 1.01          |                        | -             |
| ICICI Prudential Money MarketFund - Direct        |                         |               |                         |               |                        |               |
| Plan- Growth                                      |                         | -             | 1,20,378                | 2.53          |                        | -             |
| <b>Total FVTPL investments</b>                    |                         | <b>536.34</b> |                         | <b>238.14</b> |                        | <b>273.22</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 11. Trade Receivables

| Trade and other receivables (current)                  | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|--------------------------------------------------------|-------------------------|-------------------------|------------------------|
| Trade receivables                                      | 546.79                  | 560.34                  | 500.97                 |
| Receivables from Joint Ventures & Associates (Note 36) | 0.14                    | 0.02                    | 0.14                   |
| Receivables from other related parties (Note 36)       | 225.67                  | 215.75                  | 217.40                 |
| <b>Total Trade and other receivables</b>               | <b>772.60</b>           | <b>776.11</b>           | <b>718.51</b>          |

#### Break-up for security details:

##### Trade receivables

|                                |               |               |               |
|--------------------------------|---------------|---------------|---------------|
| Secured, considered good       | -             | -             | -             |
| Unsecured, considered good     | 777.98        | 780.97        | 723.22        |
| Unsecured, considered Doubtful | 46.27         | 89.83         | 72.85         |
|                                | <b>824.25</b> | <b>870.80</b> | <b>796.07</b> |

#### Impairment allowance (allowance for bad and doubtful debts)

|                                |                |                |                |
|--------------------------------|----------------|----------------|----------------|
| Unsecured, considered good     | (5.38)         | (4.86)         | (4.71)         |
| Unsecured, considered Doubtful | (46.27)        | (89.83)        | (72.85)        |
|                                | <b>(51.65)</b> | <b>(94.69)</b> | <b>(77.56)</b> |
| <b>Total trade receivables</b> | <b>772.60</b>  | <b>776.11</b>  | <b>718.51</b>  |

Trade or other receivable due from companies in which the Company's director are directors/members.

| Name of the Customer                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-------------------------------------------|-------------------------|-------------------------|------------------------|
| Sun Direct TV Private Limited             | 130.68                  | 123.81                  | 118.98                 |
| Sun Distribution Services Private Limited | 76.72                   | 84.94                   | 91.46                  |
| Kal Media Services Private limited        | 11.25                   | -                       | -                      |

For terms and conditions relating to related party receivables, refer Note 36

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 12.1 Cash and Cash Equivalents**

|                                                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Balances with banks:</b>                                    |                         |                         |                        |
| – On current accounts                                          | 179.06                  | 42.12                   | 45.67                  |
| – Cheques on hand                                              | 39.14                   | 108.12                  | 0.02                   |
| – Deposits with original maturity<br>of less than three months | 443.58                  | 407.76                  | 352.18                 |
| Cash on hand                                                   | 0.05                    | 0.06                    | 0.04                   |
|                                                                | <b>661.83</b>           | <b>558.06</b>           | <b>397.91</b>          |

**Note 12.2 . Bank Balances other than Cash and Cash Equivalents**

|                                                                                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Balances with banks:</b>                                                        |                         |                         |                        |
| – Deposits with original maturity of more than<br>3 months but less than 12 months | 126.20                  | 346.40                  | 350.01                 |
| – Unpaid dividend account                                                          | 0.36                    | 0.39                    | 0.26                   |
|                                                                                    | <b>126.56</b>           | <b>346.79</b>           | <b>350.27</b>          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note - 13.1 Equity Share Capital

|                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Authorised Capital</b>                     |                         |                         |                        |
| 45,00,00,000 Equity Shares of Rs.5.00 /- each | 225.00                  | 225.00                  | 225.00                 |

### Issued, Subscribed and Paid-up Capital

|                                                                                                                                                                                                                     |               |               |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| 39,40,84,620 Equity Shares of Rs.5.00 /- each fully paid up (March 31, 2016: 39,40,84,620 Equity Shares of Rs.5.00/- each fully paid up (April 1, 2015: 39,40,84,620 Equity Shares of Rs.5.00/- each fully paid up) | 197.04        | 197.04        | 197.04        |
|                                                                                                                                                                                                                     | <b>197.04</b> | <b>197.04</b> | <b>197.04</b> |

### (i) Reconciliation of the number of shares outstanding:

|                                           |                     |                     |                     |
|-------------------------------------------|---------------------|---------------------|---------------------|
| At the beginning of the year              | 39,40,84,620        | 39,40,84,620        | 39,40,84,620        |
| Issued during the year                    | -                   | -                   | -                   |
| <b>Outstanding at the end of the year</b> | <b>39,40,84,620</b> | <b>39,40,84,620</b> | <b>39,40,84,620</b> |

### (ii) Term/Rights attached to Equity Shares

The Company has one class of equity shares having a face value of Rs. 5.00/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2017, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 10.00/- share (March 31, 2016: Rs. 15.50/- share)

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

### (iii) Details of Shareholders holding more than 5 percent in the Company:

|                          | As at<br>March 31, 2017 |                                     | As at<br>March 31, 2016 |                                     |
|--------------------------|-------------------------|-------------------------------------|-------------------------|-------------------------------------|
| Name of the shareholders | No. of Shares           | % against total<br>number of shares | No. of Shares           | % against total<br>number of shares |
| Mr. Kalanithi Maran      | 29,55,63,457            | 75.00%                              | 29,55,63,457            | 75.00%                              |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 13.2 Other equity**

|                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------|-------------------------|-------------------------|------------------------|
| Securities Premium Reserve | 471.82                  | 471.82                  | 471.82                 |
| General Reserve            | 483.80                  | 483.80                  | 483.80                 |
| Retained earnings          | 2,875.80                | 2,321.38                | 2,134.78               |
|                            | <b>3,831.42</b>         | <b>3,277.00</b>         | <b>3,090.40</b>        |

**Note 13.3 Distribution made and proposed**

|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|-----------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Cash dividends on Equity shares declared and paid:</b> |                         |                         |                        |
| Interim dividends                                         | 394.07                  | 610.83                  | 443.35                 |
| Tax on interim dividends                                  | 80.23                   | 124.35                  | 85.98                  |
|                                                           | <b>474.30</b>           | <b>735.18</b>           | <b>529.33</b>          |

**Note 14. Other Financial Liabilities (non-current)**

|                                                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Other financial liabilities at amortised cost</b>       |                         |                         |                        |
| Interest free deposits from customers                      | 6.68                    | 6.32                    | 3.68                   |
| Rental Deposits                                            | 0.02                    | 0.02                    | 0.02                   |
| <b>Total other financial liabilities at amortised cost</b> | <b>6.70</b>             | <b>6.34</b>             | <b>3.70</b>            |

**Note 15. Deferred Tax liabilities**

|                                                                                                                         | <b>Balance Sheet</b> |                   |                  | <b>Statement of Profit and Loss</b> |                   |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|------------------|-------------------------------------|-------------------|
| Nature - (Liability) / Asset                                                                                            | March 31,<br>2017    | March 31,<br>2016 | April 1,<br>2015 | March 31,<br>2017                   | March 31,<br>2016 |
| <b>Deferred Tax Liabilities / Asset</b>                                                                                 |                      |                   |                  |                                     |                   |
| Tax effect of provision for Impairment allowance, allowance for bad and doubtful debts / movie advance and other assets | (37.51)              | (49.81)           | (40.64)          | 12.30                               | (9.17)            |
| Sec. 40(a)(ia) disallowances                                                                                            | (7.99)               | (6.99)            | (4.80)           | (1.00)                              | (2.19)            |
| Accelerated depreciation for tax purposes                                                                               | 77.95                | 71.55             | 66.40            | 6.40                                | 5.15              |
| Fair valuation of financial assets                                                                                      | 19.42                | 5.94              | 3.40             | 13.48                               | 2.54              |
| Others                                                                                                                  | 0.22                 | -                 | -                | 0.22                                | -                 |
| <b>Deferred Tax expenses / (income)</b>                                                                                 |                      |                   |                  | <b>31.40</b>                        | <b>(3.67)</b>     |
| <b>Net Deferred Tax Liabilities / (Assets)</b>                                                                          | <b>52.09</b>         | <b>20.69</b>      | <b>24.36</b>     |                                     |                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| <b>Reconciliation of Deferred Tax Liabilities (net)</b>              | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|----------------------------------------------------------------------|-----------------------|-----------------------|
| Opening balance                                                      | 20.69                 | 24.36                 |
| Tax (Income)/Expense during the period recognised in Profit and Loss | 31.99                 | (3.68)                |
| Tax (Income)/Expense during the period recognised in OCI             | (0.59)                | 0.01                  |
| <b>Closing balance</b>                                               | <b>52.09</b>          | <b>20.69</b>          |

### Break up of Deferred tax asset and liabilities (carried at gross in Balance Sheet)

| <b>Particulars</b>                              | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|-------------------------------------------------|-----------------------|-----------------------|----------------------|
| Deferred tax assets                             | 3.46                  | 1.24                  | -                    |
| Deferred tax liabilities                        | 55.55                 | 21.93                 | 24.36                |
| <b>Net deferred tax liabilities in schedule</b> | <b>52.09</b>          | <b>20.69</b>          | <b>24.36</b>         |

Also refer Note 31 for Income tax related disclosures

### Note 16. Other Non Current Liabilities

|                                        | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|----------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>Long-term provisions</b>            |                                 |                                 |                                |
| Provision for gratuity (Refer note 34) | -                               | -                               | 0.47                           |
| Provision for Leave Encashment         | 0.41                            | 0.36                            | -                              |
| <b>Total Provisions</b>                | <b>0.41</b>                     | <b>0.36</b>                     | <b>0.47</b>                    |

### Note 17. Trade Payables

|                                                   | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|---------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Trade payables                                    | 61.85                           | 46.38                           | 40.84                          |
| Trade payables to related parties (Refer note 36) | 10.36                           | 9.29                            | 10.71                          |
|                                                   | <b>72.21</b>                    | <b>55.67</b>                    | <b>51.55</b>                   |

There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

### Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and are normally settled within due dates

For terms and conditions with related parties, refer to Note 36

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 18. Other Financial Liabilities (current)**

|                                                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Other financial liabilities at amortised cost</b>       |                         |                         |                        |
| Payable to employees                                       | 16.01                   | 14.49                   | 7.07                   |
| Director's Remuneration Payable                            | 129.78                  | 116.91                  | 96.51                  |
| Unclaimed dividends                                        | 0.36                    | 0.39                    | 0.26                   |
| Interest free deposits from customers                      | 4.03                    | 4.51                    | 4.05                   |
| Payable for capital goods suppliers                        | 2.40                    | 2.40                    | 1.87                   |
| Retention Money Payable                                    | 0.21                    | 0.48                    | 0.49                   |
| <b>Total other financial liabilities at amortised cost</b> | <b>152.79</b>           | <b>139.18</b>           | <b>110.25</b>          |

**Note 19. Government Grants**

|                                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------------|-------------------------|-------------------------|------------------------|
| Opening balance                              | 8.91                    | 10.77                   | -                      |
| Received during the year                     | -                       | -                       | -                      |
| Released to the statement of profit and loss | (1.47)                  | (1.86)                  | -                      |
| Closing balance                              | <b>7.44</b>             | <b>8.91</b>             | <b>10.77</b>           |
| Current                                      | 1.18                    | 1.47                    | 1.86                   |
| Non-current                                  | 6.26                    | 7.44                    | 8.91                   |
|                                              | <b>7.44</b>             | <b>8.91</b>             | <b>10.77</b>           |

Government grants have been received for import of Property, plant and equipment in the nature of export promotion scheme. There are no unfulfilled conditions or contingencies attached to these grants. The Group is in the process of making necessary applications to obtain related redemption letters from the DGFT.

**Note 20. Provisions**

|                                                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|------------------------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Short-term provisions</b>                         |                         |                         |                        |
| Provision for compensated absences                   | 7.88                    | 6.97                    | 2.89                   |
| Provision for gratuity (Refer note 34)               | 0.86                    | -                       | -                      |
| Provision for litigations and claims (Refer note 49) | 7.24                    | 4.96                    | 3.88                   |
| Provision for FM License Fees (Refer note 49)        | 4.10                    | 2.05                    | -                      |
| <b>Total Provisions</b>                              | <b>20.08</b>            | <b>13.98</b>            | <b>6.77</b>            |

**Note 21. Other Current Liabilities**

|                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 1, 2015 |
|----------------------------------------|-------------------------|-------------------------|------------------------|
| Deferred revenue                       | 8.86                    | 8.06                    | 8.60                   |
| Statutory Dues                         | 6.82                    | 7.46                    | 5.34                   |
| Advances from customers                | 18.70                   | 21.46                   | 20.50                  |
| Other liabilities                      | 0.04                    | 0.13                    | 0.99                   |
| <b>Total Other Current Liabilities</b> | <b>34.42</b>            | <b>37.11</b>            | <b>35.43</b>           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 22. Revenue from Operations

|                                                     | Year Ended      |                 |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | March 31, 2017  | March 31, 2016  |
| <b>Sale of Services</b>                             |                 |                 |
| Income from Advertising and Sale of Broadcast slots | 1,361.11        | 1,401.02        |
| Income from Subscription                            | 1,115.88        | 956.10          |
| Income from movie distribution                      | 5.00            | 7.43            |
| Income from content trading                         | 14.74           | 14.29           |
| Income from Indian Premier League                   | 148.99          | 94.80           |
|                                                     | <b>2,645.72</b> | <b>2,473.64</b> |

### Note 23. Other Income

|                                                         | March 31, 2017 | March 31, 2016 |
|---------------------------------------------------------|----------------|----------------|
| Finance income (measured at Amortised cost)             |                |                |
| - on bank deposits                                      | 53.40          | 68.08          |
| - on tax free bonds                                     | 9.09           | -              |
| - on trade receivables                                  | 10.77          | 9.74           |
| Dividend income on current investments                  | 0.58           | 1.27           |
| Gain on redemption of investments                       | 30.59          | 11.12          |
| Fair value gain on financial instruments at FVTPL (net) | 38.95          | 7.16           |
| Gain on foreign exchange fluctuation (net)              | -              | 4.38           |
| Export incentives (government grants) (Refer note 19)   | 1.47           | 1.86           |
| Liabilities / provisions not required written back      | 1.52           | 7.10           |
| Rental Income                                           | 3.60           | 3.01           |
| Business Support Services                               | 1.46           | 2.02           |
| Miscellaneous Income                                    | 2.37           | 0.59           |
|                                                         | <b>153.80</b>  | <b>116.33</b>  |

Government grants have been received for import of Property, plant and equipment in the nature of export promotion scheme. There are no unfulfilled conditions or contingencies attached to these grants. The Group is in the process of making necessary applications to obtain related redemption letters from the DGFT.

### Note 24. Operating expenses

|                                | March 31, 2017 | March 31, 2016 |
|--------------------------------|----------------|----------------|
| Telecast costs                 | 30.18          | 28.98          |
| Program production expenses    | 52.77          | 58.90          |
| Cost of program rights         | 87.02          | 50.96          |
| Consumables and media expensed | 0.07           | 0.28           |
| Pay channel service charges    | 30.73          | 25.44          |
| Licenses                       | 21.21          | 16.42          |
| Franchisee fees                | 85.48          | 85.05          |
| Others                         | 11.79          | 14.83          |
|                                | <b>319.25</b>  | <b>280.86</b>  |

Cost of Revenue excludes amortisation of film production cost, distribution and related rights which is included in Note - 28

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 25. Employee Benefits Expenses**

|                                                 | March 31, 2017 | March 31, 2016 |
|-------------------------------------------------|----------------|----------------|
| Salaries, wages and bonus                       | 101.67         | 94.08          |
| Gratuity expense (Refer note 34)                | 1.81           | 1.11           |
| Contributions to provident fund and other funds | 9.13           | 8.30           |
| Staff welfare expense                           | 3.87           | 3.30           |
| Directors' remuneration                         |                |                |
| - Salary                                        | 27.25          | 27.10          |
| - Ex-gratia / Bonus                             | 129.78         | 116.91         |
|                                                 | <b>273.51</b>  | <b>250.80</b>  |

**Note 26. Other Expenses**

|                                                                                                                    | March 31, 2017 | March 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Legal and professional fees<br>(Refer details below for payments to auditors)                                      | 94.55          | 69.43          |
| Travel and conveyance                                                                                              | 25.51          | 7.70           |
| Rent                                                                                                               | 12.13          | 16.16          |
| Electricity expense                                                                                                | 14.65          | 15.07          |
| Power and fuel                                                                                                     | 2.50           | 3.68           |
| Repairs and maintenance                                                                                            |                |                |
| - Building                                                                                                         | 6.54           | 4.27           |
| - Plant and machinery                                                                                              | 13.13          | 10.85          |
| - Others                                                                                                           | 6.27           | 8.85           |
| Communication                                                                                                      | 2.36           | 2.30           |
| Utilities                                                                                                          | 12.96          | 12.78          |
| Insurance                                                                                                          | 1.03           | 1.09           |
| Bad debts / Input credit written off                                                                               | 77.20          | 3.73           |
| Impairment allowance, allowance for bad and doubtful debts<br>/movie advance and other advances (net of reversals) | (50.04)        | 24.19          |
| Provisions for claims and litigations                                                                              | 2.28           | 1.08           |
| Expenditure on Corporate Social Responsibility                                                                     | 16.19          | 9.60           |
| Loss on foreign exchange fluctuation (net )                                                                        | 2.80           | -              |
| Loss on sale of PP&E (net) / assets scrapped                                                                       | 1.89           | 1.47           |
| Rates and taxes                                                                                                    | 3.91           | 4.00           |
| Miscellaneous expenses                                                                                             | 3.62           | 3.14           |
|                                                                                                                    | <b>249.48</b>  | <b>199.39</b>  |

**Payments to Auditors**

|                           | March 31, 2017 | March 31, 2016 |
|---------------------------|----------------|----------------|
| <b>As Auditor:</b>        |                |                |
| Audit fee                 | 0.39           | 0.39           |
| Limited review            | 0.18           | 0.18           |
| Service Tax               | 0.13           | 0.08           |
| <b>In other capacity:</b> |                |                |
| Other services            | 0.37           | 0.02           |
| Reimbursement of expenses | 0.01           | 0.01           |
|                           | <b>1.08</b>    | <b>0.68</b>    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Corporate Social Responsibility (CSR) Expenditure

|                                                                | March 31, 2017 | March 31, 2016 |
|----------------------------------------------------------------|----------------|----------------|
| Gross amount required to be spent by the Group during the year | 24.45          | 21.94          |

#### Amount Spent during the year ending on March 31, 2017:

|                                       | Paid         | Yet to be paid | Total        |
|---------------------------------------|--------------|----------------|--------------|
| Construction/acquisition of any asset | -            | -              | -            |
| On purposes other than above          | 15.67        | -              | 15.67        |
|                                       | <b>15.67</b> | <b>-</b>       | <b>15.67</b> |

|                                       |      |   |      |
|---------------------------------------|------|---|------|
| Contribution made to Related Parties: | 8.40 | - | 8.40 |
|---------------------------------------|------|---|------|

#### Amount Spent during the year ending on March 31, 2016:

|                                       | Paid        | Yet to be paid | Total       |
|---------------------------------------|-------------|----------------|-------------|
| Construction/acquisition of any asset | -           | -              | -           |
| On purposes other than above          | 9.60        | -              | 9.60        |
|                                       | <b>9.60</b> | <b>-</b>       | <b>9.60</b> |

|                                       |      |   |      |
|---------------------------------------|------|---|------|
| Contribution made to Related Parties: | 4.55 | - | 4.55 |
|---------------------------------------|------|---|------|

### Note 27. Selling expenses

|                                      | March 31, 2017 | March 31, 2016 |
|--------------------------------------|----------------|----------------|
| Advertisement and publicity expenses | 31.46          | 7.21           |
| Marketing expenses                   | 0.23           | 0.64           |
| Sales commission expenses            | 1.95           | 2.00           |
|                                      | <b>33.64</b>   | <b>9.85</b>    |

### Note 28. Depreciation and amortization expense

|                                                              | March 31, 2017 | March 31, 2016 |
|--------------------------------------------------------------|----------------|----------------|
| Depreciation of Property, plant and equipment (Refer note 3) | 55.32          | 74.08          |
| Depreciation on Investment Properties (Refer note 4)         | 0.91           | 0.94           |
| Amortization of intangible assets (Refer note 5)             | 344.22         | 421.68         |
|                                                              | <b>400.45</b>  | <b>496.70</b>  |

### Note 29. Finance Costs

|                             | March 31, 2017 | March 31, 2016 |
|-----------------------------|----------------|----------------|
| Interest                    |                |                |
| - on loans against deposits | 0.15           | 1.76           |
| - others                    | 0.88           | 0.43           |
|                             | <b>1.03</b>    | <b>2.19</b>    |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 30. Exceptional items**

|                                             |                  | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|---------------------------------------------|------------------|-----------------------|-----------------------|
| Impairment of Property, plant and equipment |                  | -                     | 242.03                |
|                                             | <b>(A)</b>       | <b>-</b>              | <b>242.03</b>         |
| Insurance claim against damaged assets      |                  | -                     | 260.00                |
|                                             | <b>(B)</b>       | <b>-</b>              | <b>260.00</b>         |
| Exceptional items (Net)                     | <b>(B) - (A)</b> | <b>-</b>              | <b>17.97</b>          |

During the previous year, Group's aircraft sustained damage due to floods in Chennai. The determination of the financial effects thereof was pending as of March 31, 2016 in view of highly technical nature of the assessment involved. Subsequently in the current year, upon completion of such technical assessment, this aircraft has been assessed as being beyond economic repair and declared a total loss. Accordingly, the carrying value of the aircraft as at the date of the incident of Rs. 242.03 crores has been recorded as impairment loss in the previous year. The Group has recognised insurance claim of Rs. 260 crores received from the insurers. The impairment loss on account of the damage to the aircraft and related proceeds receivable from the insurance company, as discussed above, have been recorded and disclosed as exceptional item.

**Note 31. Income Tax Expense**

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

**Statement of Profit and loss account**

|                                                                        | <b>Year Ended<br/>March 31, 2017</b> | <b>Year Ended<br/>March 31, 2016</b> |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current Tax:</b>                                                    |                                      |                                      |
| Current income tax charge                                              | 488.26                               | 480.47                               |
| <b>Deferred Tax:</b>                                                   |                                      |                                      |
| Relating to the origination and reversal of temporary differences      | 31.99                                | (3.68)                               |
| <b>Income Tax expense reported in the statement of profit and loss</b> | <b>520.25</b>                        | <b>476.79</b>                        |

**Other Comprehensive Income(OCI) section**

Deferred tax related to items recognised in OCI during the year:

|                                                          | <b>Year Ended<br/>March 31, 2017</b> | <b>Year Ended<br/>March 31, 2016</b> |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Net loss/(gain) on remeasurement of defined benefit plan | 0.59                                 | (0.04)                               |
| <b>Income Tax charged to OCI</b>                         | <b>0.59</b>                          | <b>(0.04)</b>                        |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017 :

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.608%) as follows:

|                                                                                                           | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Accounting Profit before income tax</b>                                                                | <b>1,522.17</b>              | <b>1,399.10</b>              |
| Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (2016: 34.608%) | 526.79                       | 484.20                       |
| <b>Effects of:</b>                                                                                        |                              |                              |
| Gain/Loss on investments taxed at the tax rate applicable on capital gains/losses                         | (5.16)                       | (1.87)                       |
| Income exempted from tax                                                                                  | (3.64)                       | (1.88)                       |
| Non-deductible expenses for tax purposes                                                                  | 2.79                         | 4.26                         |
| Others                                                                                                    | (0.53)                       | (7.92)                       |
| <b>Net effective income tax</b>                                                                           | <b>520.25</b>                | <b>476.79</b>                |

### Note. 32. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

|                                      | March 31, 2017 | March 31, 2016 |
|--------------------------------------|----------------|----------------|
| Profit after tax (Rs. in crores)     | 1,030.66       | 922.31         |
| Weighted average number of shares    |                |                |
| - Basic                              | 39,40,84,620   | 39,40,84,620   |
| - Diluted                            | 39,40,84,620   | 39,40,84,620   |
| Earning per share of Rs. 5.00/- each |                |                |
| - Basic                              | 26.15          | 23.40          |
| - Diluted                            | 26.15          | 23.40          |

### Note 33. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying Group disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

**Amortisation of Intangibles**

Acquired Satellite Rights for the broadcast of feature films and other long-form programming such as multi-episode television serials are stated at cost. Future revenues cannot be estimated with any reasonable accuracy as these are susceptible to a variety of factors, such as the level of market acceptance of television products, programming viewership, advertising rates etc., and accordingly cost related to film is fully expensed on the date of first telecast of the film and the cost related to program broadcasting rights / multi episodes series are amortized based on the telecasted episodes

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Provision for taxes**

The Group's tax expense for the year is the sum of the total current and deferred tax charges. The calculation of the total tax expense necessarily involves a degree of estimation and judgement in respect of certain items. A deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 34.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 34. 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 fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

### Consolidated Statement of Profit and Loss

| Particulars                                                                                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Recognized in profit or loss:</b>                                                                       |                              |                              |
| Current service cost                                                                                       | 1.99                         | 1.21                         |
| Net Interest income on benefit obligation / assets                                                         | (0.18)                       | (0.10)                       |
| <b>Recognized in other comprehensive income:</b>                                                           |                              |                              |
| Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions | 2.12                         | -                            |
| Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions   | 1.91                         | (0.18)                       |
| Experience adjustments                                                                                     | (1.94)                       | 0.22                         |
| Return on Plan Assets (Greater) / Less than Discount rate                                                  | 0.03                         | (0.03)                       |
| Recognized in other comprehensive income                                                                   | 2.12                         | 0.01                         |
| <b>Net benefit expense</b>                                                                                 | <b>1.81</b>                  | <b>1.11</b>                  |

| Particulars                     | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------|-------------------------|-------------------------|
| Defined benefit obligation      | 13.61                   | 9.73                    |
| Fair value of plan assets       | 12.75                   | 11.02                   |
| <b>Plan Liability / (Asset)</b> | <b>0.86</b>             | <b>(1.29)</b>           |

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

| Particulars                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|-------------------------|
| Opening defined benefit obligation         | 9.73                    | 8.71                    |
| Current service cost                       | 1.99                    | 1.21                    |
| Interest cost                              | 0.74                    | 0.65                    |
| Remeasurement gains/(losses) on obligation | 2.09                    | 0.04                    |
| Benefits paid                              | (0.94)                  | (0.88)                  |
| Closing defined benefit obligation         | 13.61                   | 9.73                    |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

| <b>Particulars</b>                                        | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> |
|-----------------------------------------------------------|---------------------------------|---------------------------------|
| Fair value of planned assets at the beginning of the year | 11.02                           | 8.90                            |
| Expected return on plan assets                            | 0.92                            | 0.75                            |
| Contributions                                             | 1.77                            | 2.23                            |
| Benefits paid                                             | (0.93)                          | (0.88)                          |
| Remeasurement gains/(losses) on plan assets               | (0.03)                          | 0.02                            |
| Fair value of plan assets at the end of the year          | 12.75                           | 11.02                           |

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

| <b>Particulars</b>                | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> |
|-----------------------------------|---------------------------------|---------------------------------|
| Discount rate                     | 6.72%                           | 8.00%                           |
| Expected rate of return on assets | 8.00%                           | 8.00%                           |
| Employee turnover                 | 16.00%                          | 2.00%                           |

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The major categories of plan assets of the fair value of the total plan assets are as follows:

|                             | <b>Gratuity plan</b>  |                       |                      |
|-----------------------------|-----------------------|-----------------------|----------------------|
|                             | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
| <b>Investments details:</b> |                       |                       |                      |
| Funds with LIC              | 12.75                 | 11.02                 | 8.90                 |
| <b>Total</b>                | <b>12.75</b>          | <b>11.02</b>          | <b>8.90</b>          |

The Group contributes all ascertained liabilities towards gratuity to the Sun TV Network Ltd Employees Group Gratuity Trust. Trustees administer contributions made to the trust. As of March 31, 2017, March 31, 2016 and April 1, 2015, the plan assets have been primarily invested in insurer managed funds.

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 and March 31, 2016 is as shown below:

**Gratuity plan:**

| <b>Assumptions</b>                   | <b>March 31, 2017</b> |             |                                |             |
|--------------------------------------|-----------------------|-------------|--------------------------------|-------------|
|                                      | <b>Discount rate</b>  |             | <b>Future salary increases</b> |             |
| Sensitivity Level                    | 1% increase           | 1% decrease | 1% increase                    | 1% decrease |
| Impact on defined benefit obligation | (0.77)                | 0.78        | 0.78                           | (0.98)      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Assumptions                          | March 31, 2016 |             |                         |             |
|--------------------------------------|----------------|-------------|-------------------------|-------------|
|                                      | Discount rate  |             | Future salary increases |             |
| Sensitivity Level                    | 1% increase    | 1% decrease | 1% increase             | 1% decrease |
| Impact on defined benefit obligation | (1.19)         | 1.05        | 1.41                    | (1.89)      |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation:

|                                                          | March 31, 2017 | March 31, 2016 |
|----------------------------------------------------------|----------------|----------------|
| Within the next 12 months (next annual reporting period) | 2.48           | 0.31           |
| Between 2 and 5 years                                    | 6.36           | 1.56           |
| Between 5 and 10 years                                   | 3.47           | 2.44           |
| <b>Total expected payments</b>                           | <b>12.31</b>   | <b>4.31</b>    |

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.44 years (March 31, 2016: 6.10 years).

### Note 35. Commitments and Contingencies

#### a) Leases

##### Operating lease commitments — Group as lessee

The Group has entered into operating leases on KU band Satellite transponder on non cancellable operating lease, with lease terms between 1 and 10 years.

The Group has paid Rs. 23.14 crores (March 31, 2016: Rs. 21.63 crores) during the year towards minimum lease payment.

The operating lease arrangements, are renewable on a periodic basis and can be extend upto a maximum of 5 years from their respective dates of inception. There are no price escalation clause in the agreement.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2017 are, as follows:

|                                             | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---------------------------------------------|----------------|----------------|---------------|
| Within one year                             | 22.30          | 22.81          | 20.74         |
| After one year but not more than five years | 55.88          | 75.70          | 2.65          |
| More than five years                        | -              | 4.42           | -             |
|                                             | <b>78.18</b>   | <b>102.93</b>  | <b>23.39</b>  |

#### b) Contingent Liabilities

- Matters wherein management has concluded the Group's liability to be probable and have accordingly provided for in the books. Refer note 49.
- Matters wherein management has concluded the Group's liability to be possible and have accordingly disclosed below
- Matters wherein management is confident of succeeding in these litigations and have concluded the liability to the Group to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceeding and claims, in different stages of process, in relation to civil and criminal matters.

|                                     | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------------------------|----------------|----------------|---------------|
| a) Claims related to Income Tax*    | 423.75         | 423.75         | 331.14        |
| b) Claims related to Custom duty**@ | 63.63          | 63.63          | 63.63         |
| c) Claims related to Service Tax*** | 27.39          | 26.56          | 28.26         |
| <b>Total</b>                        | <b>514.77</b>  | <b>513.94</b>  | <b>423.03</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

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

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

@ Further to enquiries by the customs authorities on customs duty exemptions availed by the Group in the earlier year, the Group has received a formal show cause notice containing a provisional demand of Rs. 63.13 crores. Then the Group has filed its responses to this notice and has also deposited a sum of Rs. 60.18 crores under protest pending final resolution of the matter. The Management has been advised by senior counsels that appropriate legal remedies are available to the Group in this matter and is accordingly confident of recovering the duty paid.

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

**c) Commitments**

| Particulars                                                                                                  | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>a) Estimated amount of contracts remaining to be executed on capital expenditure and not provided for</b> |                |                |               |
| Outstanding commitments on capital contracts                                                                 | 2.51           | 4.29           | 6.19          |
| Commitments for acquisition of film and program broadcasting rights                                          | 84.10          | 81.52          | 156.24        |

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

The Group( Holding, subsidiary and Joint Venture ( along with its investees ) has obtained licenses to permit them to carry FM operations for 63 stations. The Group is required to pay royalty of 4% of gross revenue earned from these FM Operations during the financial year or 2.5 % of One Time Entry Fees paid, whichever is higher to Ministry of Information and Broadcasting.

**c) Franchise rights commitments**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 36 Related party transactions

#### Names of related parties

##### Individual owning an interest in voting power of the Group that gives them control

Mr. Kalanithi Maran

##### Enterprises in which Key Management personnel or their relatives have significant influence

|                                           |                                    |
|-------------------------------------------|------------------------------------|
| Kal Comm Private Limited                  | Kal Publications Private Limited   |
| Kal Cables Private Limited                | D.K. Enterprises Private Limited   |
| Sun Direct TV Private Limited             | Sun Foundation                     |
| Udaya FM Private Limited                  | Murasoli Maran Family Trust        |
| Sun Distribution Services Private Limited | Kal Media Services Private Limited |
| Sun Business Solutions Private Limited    | Kal Airways Private Limited        |

#### Subsidiary Companies

Kal Radio Limited

#### Joint Venture

|                                              |                                                 |
|----------------------------------------------|-------------------------------------------------|
| South Asia FM Limited                        | Digital Radio (Mumbai) Broadcasting Limited     |
| Asia Radio Broadcast Private Limited         | Pioneer Radio Training Services Private Limited |
| Digital Radio (Kolkata) Broadcasting Limited | Digital Radio (Delhi) Broadcasting Limited      |
| Optimum Media Services Private Limited       | South Asia Multimedia Private Limited           |

#### Associates

Deccan Digital Networks (Hyderabad) Private Limited  
Metro Digital Networks (Hyderabad) Private Limited  
AV Digital Networks (Hyderabad) Private Limited

#### Key Management personnel

Mr. Kalanithi Maran – Executive Chairman  
Mr. K Vijaykumar – Managing Director and Chief Executive Officer  
Mr. R Mahesh Kumar - President  
Mrs. Kavary Kalanithi – Executive Director  
Mr.V C Unnikrishnan - Chief Financial Officer  
Mr. R. Ravi - Company Secretary  
Mr. S. Selvam - Non Executive Director  
Mr. J. Ravindran - Independent Director  
Mr. M.K. Harinarayanan - Independent Director  
Mr. Nicholas Martin Paul - Independent Director  
Mr. R.Ravivenkatesh - Independent Director  
Mr. K Shanmugam - Managing Director of Kal Radio Limited  
Mr. B Surendar - Executive Director of Kal Radio Limited  
Mrs. Uma Madhu - Company Secretary of Kal Radio Limited  
Mrs. Nisha Narayanan - Non Executive Director of Kal Radio Limited

#### Relatives of Key Management personnel

Mrs. Mallika Maran  
Ms. Kaviya Kalanithi Maran

#### Terms & Conditions of Transactions with Related Party

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: Nil)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                  | Enterprises in which Key Management personnel or their relatives have significant influence |            | Joint Ventures and Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|----------------------------------------------|---------------------------------------------------------------------------------------------|------------|-------------------------------|------------|------------------------------------------------------------------|------------|
|                                              | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                    | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Income:</b>                               |                                                                                             |            |                               |            |                                                                  |            |
| <b>Subscription Income</b>                   |                                                                                             |            |                               |            |                                                                  |            |
| Sun Distribution Services Private Limited    | 228.34                                                                                      | 229.30     | -                             | -          | -                                                                | -          |
| Sun Direct TV Private Limited                | 209.51                                                                                      | 199.68     | -                             | -          | -                                                                | -          |
| Kal Media Services Private Limited           | 42.77                                                                                       | -          | -                             | -          | -                                                                | -          |
| <b>Advertising Income</b>                    |                                                                                             |            |                               |            |                                                                  |            |
| Kal Publications Private Limited             | 0.54                                                                                        | 0.43       | -                             | -          | -                                                                | -          |
| <b>Income from IPL</b>                       |                                                                                             |            |                               |            |                                                                  |            |
| Sun Distribution Services Private Limited    | 3.00                                                                                        | 3.00       | -                             | -          | -                                                                | -          |
| Digital Radio (Delhi) Broadcasting Limited   | -                                                                                           | -          | 4.00                          | 3.00       | -                                                                | -          |
| Digital Radio (Mumbai) Broadcasting Limited  | -                                                                                           | -          | -                             | 2.00       | -                                                                | -          |
| South Asia FM Limited                        | -                                                                                           | -          | -                             | 2.50       | -                                                                | -          |
| Digital Radio (Kolkata) Broadcasting Limited | -                                                                                           | -          | 3.00                          | -          | -                                                                | -          |
| <b>Finance Income</b>                        |                                                                                             |            |                               |            |                                                                  |            |
| Sun Direct TV Private Limited                | 9.15                                                                                        | 9.36       | -                             | -          | -                                                                | -          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                 | Enterprises in which Key Managerial personnel or their relatives have significant influence |            | Joint Ventures and Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|---------------------------------------------|---------------------------------------------------------------------------------------------|------------|-------------------------------|------------|------------------------------------------------------------------|------------|
|                                             | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                    | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Rental and Business Support Income</b>   |                                                                                             |            |                               |            |                                                                  |            |
| South Asia FM Limited                       | -                                                                                           | -          | 0.24                          | 0.26       | -                                                                | -          |
| Sun Direct TV Private Limited               | 1.97                                                                                        | 2.13       | -                             | -          | -                                                                | -          |
| Kal Publications Private Limited            | 1.48                                                                                        | 1.77       | -                             | -          | -                                                                | -          |
| Others                                      | 0.93                                                                                        | 0.83       | -                             | -          | -                                                                | -          |
| <b>Movie Content Income</b>                 |                                                                                             |            |                               |            |                                                                  |            |
| Sun Direct TV Private Limited               | 8.83                                                                                        | 10.28      | -                             | -          | -                                                                | -          |
| <b>Expenses:</b>                            |                                                                                             |            |                               |            |                                                                  |            |
| <b>Program production expenses</b>          |                                                                                             |            |                               |            |                                                                  |            |
| Kal Publications Private Limited            | 4.42                                                                                        | 4.40       | -                             | -          | -                                                                | -          |
| <b>Pay channel service charges</b>          |                                                                                             |            |                               |            |                                                                  |            |
| Sun Distribution Services Private Limited   | 22.95                                                                                       | 22.86      | -                             | -          | -                                                                | -          |
| Kal Media Services Private Limited          | 4.30                                                                                        | -          | -                             | -          | -                                                                | -          |
| <b>Legal and Professional Fees</b>          |                                                                                             |            |                               |            |                                                                  |            |
| Mrs. Mallika Maran                          | -                                                                                           | -          | -                             | -          | 0.02                                                             | 0.02       |
| Mr. K. Shanmugam                            | -                                                                                           | -          | -                             | -          | 1.44                                                             | 0.79       |
| <b>Rent Expense</b>                         |                                                                                             |            |                               |            |                                                                  |            |
| Kal Publications Private Limited            | 2.75                                                                                        | 2.61       | -                             | -          | -                                                                | -          |
| Digital Radio (Mumbai) Broadcasting Limited | -                                                                                           | -          | 0.02                          | 0.08       | -                                                                | -          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                           | Enterprises in which Key Management personnel or their relatives have significant influence |            | Joint Ventures and Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------|------------|-------------------------------|------------|------------------------------------------------------------------|------------|
|                                                       | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                    | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Expenditure on Corporate Social Responsibility</b> |                                                                                             |            |                               |            |                                                                  |            |
| Sun Foundation                                        | 8.40                                                                                        | 4.55       | -                             | -          | -                                                                | -          |
| <b>Advertisement expenses</b>                         |                                                                                             |            |                               |            |                                                                  |            |
| Kal Publications Private Limited                      | 0.37                                                                                        | 0.66       | -                             | -          | -                                                                | -          |
| <b>Remuneration paid (including ex-gratia/bonus)</b>  |                                                                                             |            |                               |            |                                                                  |            |
| Salary - Mr. Kalanithi Maran                          | -                                                                                           | -          | -                             | -          | 13.14                                                            | 13.14      |
| Salary - Mrs. Kavery Kalanithi                        | -                                                                                           | -          | -                             | -          | 13.14                                                            | 13.14      |
| Salary - Mr. K Vijaykumar                             | -                                                                                           | -          | -                             | -          | 0.97                                                             | 0.82       |
| Salary - Mr. V C Unnikrishnan                         | -                                                                                           | -          | -                             | -          | 0.85                                                             | 0.81       |
| Salary - Mr. R Ravi                                   | -                                                                                           | -          | -                             | -          | 0.21                                                             | 0.20       |
| Salary - Ms. Kaviya Kalanithi Maran                   | -                                                                                           | -          | -                             | -          | 0.16                                                             | -          |
| Salary - Mr R Mahesh Kumar                            | -                                                                                           | -          | -                             | -          | 1.66                                                             | 0.62       |
| Salary - Mr. K Shanmugam                              | -                                                                                           | -          | -                             | -          | 0.60                                                             | 0.60       |
| Salary - Mrs. Uma Madhu                               | -                                                                                           | -          | -                             | -          | 0.25                                                             | 0.09       |
| Ex-gratia / Bonus- Mr. Kalanithi Maran                | -                                                                                           | -          | -                             | -          | 64.79                                                            | 58.33      |
| Ex-gratia / Bonus- Mrs. Kavery Kalanithi              | -                                                                                           | -          | -                             | -          | 64.79                                                            | 58.32      |
| Ex-gratia / Bonus- Mr. K. Vijaykumar                  | -                                                                                           | -          | -                             | -          | 0.20                                                             | 0.26       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                                      | Enterprises in which Key Management personnel or their relatives have significant influence |            | Joint Ventures and Associates |            | Key managerial personnel / Relatives of Key managerial personnel |            |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------|-------------------------------|------------|------------------------------------------------------------------|------------|
|                                                                  | 31.03.2017                                                                                  | 31.03.2016 | 31.03.2017                    | 31.03.2016 | 31.03.2017                                                       | 31.03.2016 |
| <b>Sitting Fees Paid to Directors</b>                            |                                                                                             |            |                               |            |                                                                  |            |
| Mr. S. Selvam                                                    | -                                                                                           | -          | -                             | -          | 0.01                                                             | 0.01       |
| Mr. J. Ravindran                                                 | -                                                                                           | -          | -                             | -          | 0.03                                                             | 0.01       |
| Mr. M.K. Harinarayanan                                           | -                                                                                           | -          | -                             | -          | 0.04                                                             | 0.01       |
| Mr. Nicholas Martin Paul                                         | -                                                                                           | -          | -                             | -          | 0.04                                                             | 0.01       |
| Mr. R.Ravivenkatesh                                              | -                                                                                           | -          | -                             | -          | 0.03                                                             | 0.01       |
| <b>Dividends Paid</b>                                            |                                                                                             |            |                               |            |                                                                  |            |
| Mr. Kalanithi Maran                                              | -                                                                                           | -          | -                             | -          | 295.56                                                           | 458.12     |
| <b>Reimbursement/(Recovery) of Cost of shared services (Net)</b> |                                                                                             |            |                               |            |                                                                  |            |
| Kal Publications Private Limited                                 | 0.56                                                                                        | 0.61       | -                             | -          | -                                                                | -          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Transactions and balances with related parties

| Particulars                                         | Enterprises in which Key Management personnel or their relatives have significant influence |            |            | Joint Ventures and Associates |            |            | Key managerial personnel / Relatives of Key managerial personnel |            |            |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------|------------|------------|-------------------------------|------------|------------|------------------------------------------------------------------|------------|------------|
|                                                     | 31.03.2017                                                                                  | 31.03.2016 | 01.04.2015 | 31.03.2017                    | 31.03.2016 | 01.04.2015 | 31.03.2017                                                       | 31.03.2016 | 01.04.2015 |
| <b>Balances Outstanding:</b>                        |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| <b>Accounts Receivable</b>                          |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Sun Direct TV Private Limited                       | 130.68                                                                                      | 123.81     | 118.98     | -                             | -          | -          | -                                                                | -          | -          |
| Sun Distribution Services Private limited           | 76.72                                                                                       | 84.94      | 91.46      | -                             | -          | -          | -                                                                | -          | -          |
| Kal Media Services Private Limited                  | 11.25                                                                                       | -          | -          | -                             | -          | -          | -                                                                | -          | -          |
| Others                                              | 7.09                                                                                        | 8.58       | 7.64       | -                             | -          | -          | -                                                                | -          | -          |
| <b>Other Receivables</b>                            |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Kal Publications Private Limited                    | 1.52                                                                                        | 7.35       | 5.57       | -                             | -          | -          | -                                                                | -          | -          |
| Sun Direct TV Private Limited                       | 6.55                                                                                        | 6.46       | 6.24       | -                             | -          | -          | -                                                                | -          | -          |
| South Asia FM Limited                               | -                                                                                           | -          | -          | 0.09                          | 0.02       | 0.01       | -                                                                | -          | -          |
| Digital Radio (Delhi) Broadcasting Limited          | -                                                                                           | -          | -          | 0.05                          | -          | 0.13       | -                                                                | -          | -          |
| Udaya FM Private Limited                            | -                                                                                           | 0.04       | -          | -                             | -          | -          | -                                                                | -          | -          |
| Others                                              | 0.50                                                                                        | 0.07       | 0.13       | -                             | -          | -          | -                                                                | -          | -          |
| <b>Rental and other deposits</b>                    |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Kal Publications Private Limited                    | 0.10                                                                                        | 0.10       | 0.10       | -                             | -          | -          | -                                                                | -          | -          |
| <b>Security Deposit received</b>                    |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Kal Publications Private Limited                    | 0.01                                                                                        | 0.01       | 0.01       | -                             | -          | -          | -                                                                | -          | -          |
| Sun Direct TV Private Limited                       | 0.04                                                                                        | 0.04       | 0.04       | -                             | -          | -          | -                                                                | -          | -          |
| Others                                              | -                                                                                           | -          | 0.62       | -                             | -          | -          | -                                                                | -          | -          |
| <b>Accounts Payable / Other Current Liabilities</b> |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Sun Distribution Services Private limited           | 7.40                                                                                        | 9.03       | 10.29      | -                             | -          | -          | -                                                                | -          | -          |
| Kal Publications Private Limited                    | 0.70                                                                                        | 0.24       | 0.42       | -                             | -          | -          | -                                                                | -          | -          |
| Kal Media Services Private Limited                  | 2.13                                                                                        | -          | -          | -                             | -          | -          | -                                                                | -          | -          |
| Digital Radio (Mumbai) Broadcasting Limited         | -                                                                                           | -          | -          | -                             | 0.02       | -          | -                                                                | -          | -          |
| Others                                              | 0.13                                                                                        | 0.02       | -          | -                             | -          | -          | -                                                                | -          | -          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Transactions and balances with related parties

| Particulars                                     | Enterprises in which Key Management personnel or their relatives have significant influence |            |            | Joint Ventures and Associates |            |            | Key managerial personnel / Relatives of Key managerial personnel |            |            |
|-------------------------------------------------|---------------------------------------------------------------------------------------------|------------|------------|-------------------------------|------------|------------|------------------------------------------------------------------|------------|------------|
|                                                 | 31.03.2017                                                                                  | 31.03.2016 | 01.04.2015 | 31.03.2017                    | 31.03.2016 | 01.04.2015 | 31.03.2017                                                       | 31.03.2016 | 01.04.2015 |
| <b>Remuneration / Ex-gratia / Bonus Payable</b> |                                                                                             |            |            |                               |            |            |                                                                  |            |            |
| Mr. Kalanithi Maran                             | -                                                                                           | -          | -          | -                             | -          | -          | 64.79                                                            | 58.33      | 48.13      |
| Mrs. Kavery Kalanithi                           | -                                                                                           | -          | -          | -                             | -          | -          | 64.79                                                            | 58.32      | 48.12      |
| Mr. K Vijaykumar                                | -                                                                                           | -          | -          | -                             | -          | -          | 0.20                                                             | 0.26       | 0.26       |
| Ms. Kaviya Kalanithi Maran                      | -                                                                                           | -          | -          | -                             | -          | -          | 0.02                                                             | -          | -          |
| Mr R Mahesh Kumar                               | -                                                                                           | -          | -          | -                             | -          | -          | 0.33                                                             | 0.23       | -          |
| Mr. V C Unnikrishnan                            | -                                                                                           | -          | -          | -                             | -          | -          | 0.18                                                             | 0.14       | 0.13       |
| Mr. R Ravi                                      | -                                                                                           | -          | -          | -                             | -          | -          | 0.04                                                             | 0.02       | 0.02       |

**Note:**

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to the Directors are not included above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Note 37. Segment information**

Based on internal reporting provided to the chief operating decision maker, Media and Entertainment is the only operating segment for the Group.

**Geographic information****Revenue from external customers**

|                                                       | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> |
|-------------------------------------------------------|---------------------------|---------------------------|
| India                                                 | 2,487.47                  | 2,329.46                  |
| Outside India                                         | 158.25                    | 144.18                    |
| <b>Total revenues per statement of profit or loss</b> | <b>2,645.72</b>           | <b>2,473.64</b>           |

There are no sales to external customers more than 10% of total revenue.

**Non-current operating assets**

|               | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> |
|---------------|---------------------------|---------------------------|
| India         | 1,376.32                  | 976.39                    |
| Outside India | -                         | -                         |
| <b>Total</b>  | <b>1,376.32</b>           | <b>976.39</b>             |

Non-current assets for this purpose consist of Property, plant and equipment, Investment properties, Intangible assets, capital work in progress and other non current assets (other than Financial instruments).

**Note 38. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

|                                    | <b>Carrying value</b>     |                           |                          | <b>Fair value</b>         |                           |                          |
|------------------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
|                                    | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> | <b>April 1,<br/>2015</b> | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016</b> | <b>April 1,<br/>2015</b> |
| <b>Financial assets</b>            |                           |                           |                          |                           |                           |                          |
| <b>(Non Current &amp; Current)</b> |                           |                           |                          |                           |                           |                          |
| Other investments                  |                           |                           |                          |                           |                           |                          |
| (Tax free bonds)                   | 194.92                    | -                         | -                        | 195.87                    | -                         | -                        |
| Investments in Mutual funds        |                           |                           |                          |                           |                           |                          |
| and Quoted equity shares           | 545.48                    | 257.15                    | 313.21                   | 545.48                    | 257.15                    | 313.21                   |
|                                    | <b>740.40</b>             | <b>257.15</b>             | <b>313.21</b>            | <b>741.35</b>             | <b>257.15</b>             | <b>313.21</b>            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non current financial liabilities and financial assets approximate their carrying amounts largely due to the short - term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The method and assumptions used to estimate the fair values is the fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date.

### Note 39. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

| Particulars                                        | Date of Valuation | Fair Value Measurement using |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                    |                   | Total                        | Quoted Price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Asset measured at fair value:</b>               |                   |                              |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |                              |                                          |                                         |                                           |
| Quoted Equity Shares                               | March 31, 2017    | <b>9.14</b>                  | 9.14                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | March 31, 2017    | <b>536.34</b>                | 536.34                                   | -                                       | -                                         |
| <b>Assets for which fair values are disclosed:</b> |                   |                              |                                          |                                         |                                           |
| Tax free bond (unquoted)                           | March 31, 2017    | <b>195.87</b>                | -                                        | 195.87                                  | -                                         |
| Investment Properties                              | March 31, 2017    | <b>75.75</b>                 | -                                        | 75.75                                   | -                                         |

There have been no transfers between Level 1 and Level 2 during the period.

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:

| Particulars                                        | Date of Valuation | Fair Value Measurement using |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                    |                   | Total                        | Quoted Price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant Unobservable inputs (Level 3) |
| <b>Asset measured at fair value:</b>               |                   |                              |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |                              |                                          |                                         |                                           |
| Quoted Equity Shares                               | March 31, 2016    | <b>5.73</b>                  | 5.73                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | March 31, 2016    | <b>251.42</b>                | 251.42                                   | -                                       | -                                         |
| <b>Assets for which fair values are disclosed:</b> |                   |                              |                                          |                                         |                                           |
| Investment Properties                              | March 31, 2016    | <b>67.41</b>                 | -                                        | 67.41                                   | -                                         |

There have been no transfers between Level 1 and Level 2 during the period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)***Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:**

| Particulars                                        | Date of Valuation | Fair Value Measurement using |                                          |                                         |                                           |
|----------------------------------------------------|-------------------|------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                    |                   | Total                        | Quoted Price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Asset measured at fair value:</b>               |                   |                              |                                          |                                         |                                           |
| <b>FVTPL financial investments:</b>                |                   |                              |                                          |                                         |                                           |
| Quoted Equity Shares                               | April 1, 2015     | <b>5.84</b>                  | 5.84                                     | -                                       | -                                         |
| Unquoted Mutual Funds                              | April 1, 2015     | <b>307.37</b>                | 307.37                                   | -                                       | -                                         |
|                                                    |                   |                              |                                          |                                         |                                           |
| <b>Assets for which fair values are disclosed:</b> |                   |                              |                                          |                                         |                                           |
| Investment Properties                              | April 1, 2015     | <b>58.18</b>                 | -                                        | 58.18                                   | -                                         |

**Note 40. Financial risk management objectives and policies**

The Group's principal financial liabilities, include trade and other payables. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as equity price risk. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy. Financial instruments affected by market risk includes investment in equity instruments etc.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. As per the forex policy, the Group, takes forward contract for transaction where the foreign currency risk on account of movement in exchange rate expected to be high and which is material to Group. The impact of foreign exchange rate fluctuation is evaluated by assessing its exposure to exchange rate risks. Major exposure to foreign exchange fluctuation risks is with Monetary receivables / payables denominated in USD.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The sensitivity analyses in the following sections relate to the position as at March 31, 2017, March 31, 2016 and April 1, 2015.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Particulars                                              | Foreign Currency | March 31, 2017             |                         | March 31, 2016             |                         | April 1, 2015              |                         |
|----------------------------------------------------------|------------------|----------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
|                                                          |                  | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees |
| Trade Receivables                                        | USD              | 0.69                       | 44.92                   | 0.58                       | 38.25                   | 0.47                       | 29.45                   |
| Advances from Customers                                  | USD              | -                          | -                       | -                          | -                       | 0.01                       | 0.50                    |
| Dues Payable in respect of Property, plant and equipment | USD              | 0.02                       | 1.10                    | -                          | -                       | -                          | -                       |
| Security Deposits received from Customers                | USD              | 0.06                       | 3.91                    | 0.04                       | 2.78                    | 0.03                       | 1.62                    |
| Security Deposits Paid                                   | USD              | 0.02                       | 1.17                    | 0.02                       | 1.19                    | 0.03                       | 1.60                    |
| Unbilled Revenues                                        | USD              | 0.27                       | 17.69                   | 0.18                       | 11.92                   | 0.36                       | 22.71                   |
| EEFC Bank balance                                        | USD              | 0.13                       | 8.48                    | 0.27                       | 17.76                   | 0.21                       | 13.22                   |

|                       | Change in forex rate (%) | Effect on profit before tax | Effect on post-tax equity |
|-----------------------|--------------------------|-----------------------------|---------------------------|
| <b>USD</b>            |                          |                             |                           |
| <b>March 31, 2017</b> | 5% Increase              | 3.36                        | 2.20                      |
|                       | 5% Decrease              | (3.36)                      | (3.36)                    |
| <b>March 31, 2016</b> | 5% Increase              | 3.32                        | 2.17                      |
|                       | 5% Decrease              | (3.32)                      | (3.32)                    |
| <b>April 1, 2015</b>  | 5% Increase              | 3.46                        | 2.26                      |
|                       | 5% Decrease              | (3.46)                      | (3.46)                    |

### Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2017, March 31, 2016 & April 1, 2015 respectively.

### Liquidity risk

The Group's prime source of liquidity is cash and cash equivalents and the cash flow generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Group had a working capital of Rs.1,982.21 crores (March 31, 2016 - Rs. 2,074.56 crores ; April 1, 2015 - Rs. 1,687.34 crores) including cash and cash equivalents of Rs. 661.83 crores (March 31, 2016 - Rs. 558.06 crores ; April 1, 2015 - Rs. 397.91 crores) and current investment of Rs. 545.48 crores (March 31, 2016 - Rs. 243.87 crores; April 1, 2015 - Rs. 279.06 crores).

As of March 31, 2017, March 31, 2016 & April 1, 2015, there are no material liability which is outstanding. Accordingly, no liquidity risk is perceived.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, unless otherwise stated)*

|                             | Less than<br>one Year | 1 to 2<br>years | More than<br>2 Years | Total         |
|-----------------------------|-----------------------|-----------------|----------------------|---------------|
| <b>Year ended</b>           |                       |                 |                      |               |
| <b>March 31, 2017</b>       |                       |                 |                      |               |
| Other financial liabilities | 159.49                | -               | -                    | 159.49        |
| Trade and other payables    | 72.21                 | -               | -                    | 72.21         |
|                             | <b>231.70</b>         | <b>-</b>        | <b>-</b>             | <b>231.70</b> |
| <b>Year ended</b>           |                       |                 |                      |               |
| <b>March 31, 2016</b>       |                       |                 |                      |               |
| Other financial liabilities | 145.52                | -               | -                    | 145.52        |
| Trade and other payables    | 55.67                 | -               | -                    | 55.67         |
|                             | <b>201.19</b>         | <b>-</b>        | <b>-</b>             | <b>201.19</b> |
| <b>Year ended</b>           |                       |                 |                      |               |
| <b>April 1, 2015</b>        |                       |                 |                      |               |
| Other financial liabilities | 113.95                | -               | -                    | 113.95        |
| Trade and other payables    | 51.55                 | -               | -                    | 51.55         |
|                             | <b>165.50</b>         | <b>-</b>        | <b>-</b>             | <b>165.50</b> |

**Note 41. Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's policy for capital management aims to enhance capital efficiency by the long-term improvement of its value through business growth, while maintaining a sound financial structure. Indicators for monitoring the capital management include total equity attributable to owners of the parent and ROE (ratio of net profit to total equity attributable to owners of the parent). The Group's policy is to keep ROE between 35% to 38%. The Group has achieved the same over past 2 years.

|                                            | March 31, 2017  | March 31, 2016  |
|--------------------------------------------|-----------------|-----------------|
| <b>Return On Equity</b>                    |                 |                 |
| Profit Before Taxes                        | 1,522.17        | 1,350.18        |
| Less: Finance Income                       | (73.26)         | (77.82)         |
| Add: Finance Cost                          | 1.03            | 2.19            |
| <b>Earning Before Net Interest and Tax</b> | <b>1,449.94</b> | <b>1,274.55</b> |
| Equity Share Capital                       | 197.04          | 197.04          |
| Other Equity                               | 3,831.42        | 3,277.00        |
| <b>Capital Employed</b>                    | <b>4,028.46</b> | <b>3,474.04</b> |
| <b>ROCE</b>                                | <b>35.99</b>    | <b>36.69</b>    |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 42. Provisional Attachment order from Enforcement Directorate

During the year, the Hon'ble Special Court hearing the related proceedings in connection with an investigation not involving the Group, passed an order, as a result of which, the provisional attachment stands released. During the previous year, certain Freehold Land and Buildings of the Company aggregating Rs. 266 crores, and fixed deposits with bank and mutual fund investments of South Asia FM Limited ("SAFM") aggregating Rs.21.34 crores had been provisionally attached vide order of the Enforcement Directorate, Ministry of Finance, Government of India, ("Enforcement Directorate"), under the prevention of Money Laundering Act, 2002 ("PMLA"). Whilst the appeal process in this matter is pending, Group continues to be in possession of the said properties / deposits / mutual fund investments, the management is confident of a successful outcome from the same and accordingly is of the view that no accounting adjustments are considered necessary in this financial results in this regard.

### Note 43. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies Account(Amendment) rules, 2016, as amended.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

**Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions :**

- 1 Ind AS 16 - Property, plant and equipment are opted to be carried as recognised in its previous GAAP financials as deemed cost at the transition date. The Group has elected to continue with the carrying value as at 1st April, 2015 for all of its investment property, intangibles assets and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.
- 2 The Company holds 59.44% interest in South Asia FM Limited and was classified as subsidiary as per previous GAAP. Under Indian-GAAP Group has done line by line consolidation of assets and liabilities of the subsidiary for preparation of Consolidated Financial Statement. On transition to Ind AS the Group has assessed and determined that South Asia FM Limited as its joint venture under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against Line by Line consolidation. For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the Group had previously consolidated in full including any goodwill arising on acquisition.
- 3 Ind AS 103 - Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before date of transition i.e April 1, 2015.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet. In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 1, 2015.

The Group has used this exemption for the merger of Gemini TV Private Limited and the Satellite Television Business of Udaya TV Private Limited in earlier years.

### Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)*

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015 (i.e. the date of transition to Ind-AS) and as of March 31, 2016.

**Effect of the Transition to Ind AS**

Reconciliations of the Group's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2015 and March 31, 2016 are also presented in Note 44. Reconciliations of the Group's income statements for the year ended March 31, 2016 prepared in accordance with Indian GAAP and Ind AS in Note 45.

**Note 44. Reconciliation of Consolidated Equity as on March 31, 2016**

| Particulars                                        | Foot Note       | Opening Balance Sheet<br>as on April 1, 2015 |                                      |                 | Balance Sheet as on<br>March 31, 2016 |                                      |                 |
|----------------------------------------------------|-----------------|----------------------------------------------|--------------------------------------|-----------------|---------------------------------------|--------------------------------------|-----------------|
|                                                    |                 | Previous<br>GAAP                             | Effect of<br>transition<br>to Ind AS | Ind AS          | Previous<br>GAAP                      | Effect of<br>transition<br>to Ind AS | Ind AS          |
| <b>ASSETS</b>                                      |                 |                                              |                                      |                 |                                       |                                      |                 |
| <b>Non-Current Assets</b>                          |                 |                                              |                                      |                 |                                       |                                      |                 |
| Property, Plant and Equipment                      | (f) & (k) & (j) | 731.13                                       | (12.34)                              | 718.79          | 453.66                                | (12.77)                              | 440.89          |
| Capital Work-in-Progress                           | (j)             | 1.83                                         | (1.33)                               | 0.50            | 0.74                                  | (0.00)                               | 0.74            |
| Investment Properties                              | (k)             | -                                            | 13.69                                | 13.69           | -                                     | 13.03                                | 13.03           |
| Goodwill                                           | (j)             | 43.81                                        | (39.01)                              | 4.80            | 42.10                                 | (37.30)                              | 4.80            |
| Other Intangible assets                            | (j)             | 404.27                                       | (21.47)                              | 382.80          | 412.96                                | (13.51)                              | 399.45          |
| Investment in joint venture                        | (j)             | 225.60                                       | (35.47)                              | 190.13          | 336.23                                | 42.66                                | 378.89          |
| Financial Assets                                   |                 |                                              |                                      |                 |                                       |                                      |                 |
| Other Financial Assets                             | (g) & (j)       | 15.67                                        | 2.59                                 | 18.26           | 19.43                                 | 0.26                                 | 19.69           |
| Deferred tax assets (net)                          |                 | -                                            | -                                    | -               | 1.24                                  | -                                    | 1.24            |
| Non Current tax assets (net)                       | (j)             | 74.69                                        | (4.60)                               | 70.09           | 63.92                                 | (6.19)                               | 57.73           |
| Other non current assets                           | (j) & (g)       | 277.33                                       | (36.12)                              | 241.21          | 161.13                                | (38.84)                              | 122.29          |
|                                                    |                 | <b>1,774.33</b>                              | <b>(134.06)</b>                      | <b>1,640.27</b> | <b>1,491.41</b>                       | <b>(52.66)</b>                       | <b>1,438.75</b> |
| <b>Current Assets</b>                              |                 |                                              |                                      |                 |                                       |                                      |                 |
| Inventories                                        |                 | 0.48                                         | -                                    | 0.48            | 1.13                                  | -                                    | 1.13            |
| Financial Assets                                   |                 |                                              |                                      |                 |                                       |                                      |                 |
| Investments                                        | (c)             | 280.16                                       | (1.10)                               | 279.06          | 255.66                                | (11.79)                              | 243.87          |
| Trade receivables                                  | (a) & (j) & (e) | 751.34                                       | (32.83)                              | 718.51          | 818.71                                | (42.60)                              | 776.11          |
| Cash and Cash Equivalents                          | (j)             | 436.36                                       | (38.45)                              | 397.91          | 777.92                                | (219.86)                             | 558.06          |
| Bank Balances other than cash and cash equivalents | (j)             | 350.27                                       | -                                    | 350.27          | 346.79                                | -                                    | 346.79          |
| Other Financial Assets                             | (j)             | 95.94                                        | 7.32                                 | 103.26          | 350.17                                | 0.35                                 | 350.52          |
| Other current assets                               | (g) & (j)       | 56.14                                        | (12.44)                              | 43.70           | 48.85                                 | (3.36)                               | 45.49           |
|                                                    |                 | <b>1,970.69</b>                              | <b>(77.50)</b>                       | <b>1,893.19</b> | <b>2,599.23</b>                       | <b>(277.26)</b>                      | <b>2,321.97</b> |
| <b>Total Assets</b>                                |                 | <b>3,745.02</b>                              | <b>(211.56)</b>                      | <b>3,533.46</b> | <b>4,090.64</b>                       | <b>(329.92)</b>                      | <b>3,760.72</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

| Particulars                                                            | Foot Note | Opening Balance Sheet<br>as on April 1, 2015 |                                      |                 | Balance Sheet as on<br>March 31, 2016 |                                     |                     |
|------------------------------------------------------------------------|-----------|----------------------------------------------|--------------------------------------|-----------------|---------------------------------------|-------------------------------------|---------------------|
|                                                                        |           | Previous<br>GAAP                             | Effect of<br>transition<br>to Ind AS | Ind AS          | GAAP                                  | Previous<br>transition<br>to Ind AS | Effect of<br>Ind AS |
| <b>EQUITY AND LIABILITIES</b>                                          |           |                                              |                                      |                 |                                       |                                     |                     |
| <b>Equity</b>                                                          |           |                                              |                                      |                 |                                       |                                     |                     |
| Equity Share Capital                                                   |           | 197.04                                       | -                                    | 197.04          | 197.04                                | -                                   | 197.04              |
| Other Equity                                                           | (j)       | 3,151.10                                     | (60.70)                              | 3,090.40        | 3,329.30                              | (52.30)                             | 3,277.00            |
| Non Controlling interest                                               | (j)       | 54.67                                        | (51.95)                              | 2.72            | 175.56                                | (172.36)                            | 3.20                |
| Preference shares<br>in subsidiary held<br>by minority<br>shareholders | (j)       | 93.40                                        | (93.40)                              | -               | 93.40                                 | (93.40)                             | -                   |
| <b>Total Equity</b>                                                    |           | <b>3,496.21</b>                              | <b>(206.05)</b>                      | <b>3,290.16</b> | <b>3,795.30</b>                       | <b>(318.06)</b>                     | <b>3,477.24</b>     |
| <b>Non-Current Liabilities</b>                                         |           |                                              |                                      |                 |                                       |                                     |                     |
| Financial Liabilities                                                  |           |                                              |                                      |                 |                                       |                                     |                     |
| Other financial<br>liabilities                                         | (j)       | 3.85                                         | (0.15)                               | 3.70            | 6.18                                  | 0.16                                | 6.34                |
| Government Grants                                                      | (f)       | -                                            | 8.91                                 | 8.91            | -                                     | 7.44                                | 7.44                |
| Deferred Tax<br>Liabilities (Net)                                      | (h) & (j) | 22.59                                        | 1.77                                 | 24.36           | 18.81                                 | 3.12                                | 21.93               |
| Other Non Current<br>Liabilities                                       |           | 0.47                                         | -                                    | 0.47            | -                                     | 0.36                                | 0.36                |
|                                                                        |           | <b>26.91</b>                                 | <b>10.53</b>                         | <b>37.44</b>    | <b>24.99</b>                          | <b>11.08</b>                        | <b>36.07</b>        |
| <b>Current Liabilities</b>                                             |           |                                              |                                      |                 |                                       |                                     |                     |
| Financial Liabilities                                                  |           |                                              |                                      |                 |                                       |                                     |                     |
| Trade Payables                                                         | (j)       | 71.91                                        | (20.36)                              | 51.55           | 81.74                                 | (26.07)                             | 55.67               |
| Other current<br>financial liabilities                                 | (j)       | 111.42                                       | (1.17)                               | 110.25          | 134.15                                | 5.03                                | 139.18              |
| Government Grants                                                      | (f)       | -                                            | 1.86                                 | 1.86            | -                                     | 1.47                                | 1.47                |
| Provisions                                                             | (j)       | 7.36                                         | (0.59)                               | 6.77            | 14.81                                 | (0.83)                              | 13.98               |
| Other Current<br>Liabilities                                           | (a) & (b) | 31.21                                        | 4.22                                 | 35.43           | 39.65                                 | (2.54)                              | 37.11               |
| <b>Total Liabilities</b>                                               |           | <b>221.90</b>                                | <b>(16.04)</b>                       | <b>205.86</b>   | <b>270.35</b>                         | <b>(22.94)</b>                      | <b>247.41</b>       |
| <b>TOTAL EQUITY<br/>AND LIABILITIES</b>                                |           | <b>3,745.02</b>                              | <b>( 211.56)</b>                     | <b>3,533.46</b> | <b>4,090.64</b>                       | <b>(329.92)</b>                     | <b>3,760.72</b>     |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)***Note 45. Reconciliation of consolidated profit or loss for the year ended March 31, 2016**

|                                                                                                               | Foot Note           | Previous<br>GAAP | Reclassifications | Effect of<br>transition<br>to Ind AS | Ind AS          |
|---------------------------------------------------------------------------------------------------------------|---------------------|------------------|-------------------|--------------------------------------|-----------------|
| <b>Income</b>                                                                                                 |                     |                  |                   |                                      |                 |
| Revenue from Operations                                                                                       | (a) & (b)<br>& (j)  | 2,569.78         | -                 | (96.14)                              | 2,473.64        |
| Other Income                                                                                                  | (c), (f), (a) & (j) | 110.63           | -                 | 5.70                                 | 116.33          |
| <b>Total Income (I)</b>                                                                                       |                     | <b>2,680.41</b>  | <b>-</b>          | <b>(90.44)</b>                       | <b>2,589.97</b> |
| <b>Expenses</b>                                                                                               |                     |                  |                   |                                      |                 |
| Costs of revenues                                                                                             | (j)                 | 301.89           | (0.26)            | (20.77)                              | 280.86          |
| Employees' benefits expense                                                                                   | (d) & (j)           | 271.63           | -                 | (20.83)                              | 250.80          |
| Other expenses                                                                                                | (e),(h),(g) & (j)   | 210.48           | 0.26              | (11.35)                              | 199.39          |
| Advertisement and<br>marketing expenses                                                                       | (j)                 | 11.59            | -                 | (1.74)                               | 9.85            |
| Depreciation and<br>amortization expense                                                                      | (f) & (j)           | 504.94           | -                 | (8.24)                               | 496.70          |
| Finance costs                                                                                                 | (g) & (j)           | 2.20             | -                 | (0.01)                               | 2.19            |
| <b>Total Expense (II)</b>                                                                                     |                     | <b>1,302.73</b>  | <b>-</b>          | <b>(62.94)</b>                       | <b>1,239.79</b> |
| <b>Profit before share of (profit)<br/>/loss of associates/<br/>JVs, exceptional items and tax (I) - (II)</b> |                     | <b>1,377.68</b>  | <b>-</b>          | <b>(27.50)</b>                       | <b>1,350.18</b> |
| Share of profit of an associates<br>and a joint ventures                                                      | (j)                 | -                | -                 | 30.95                                | 30.95           |
| <b>Profit before exceptional<br/>items and tax</b>                                                            |                     | <b>1,377.68</b>  | <b>-</b>          | <b>3.45</b>                          | <b>1,381.13</b> |
| Exceptional items (net)                                                                                       |                     | 17.97            | -                 | -                                    | 17.97           |
| <b>Profit before tax after exceptional<br/>items (net)</b>                                                    |                     | <b>1,395.65</b>  | <b>-</b>          | <b>3.45</b>                          | <b>1,399.10</b> |
| Current tax                                                                                                   |                     | 480.51           | -                 | (0.04)                               | 480.47          |
| Deferred tax                                                                                                  | (h)                 | (5.02)           | -                 | 1.34                                 | (3.68)          |
| <b>Income Tax Expense</b>                                                                                     |                     | <b>475.49</b>    | <b>-</b>          | <b>1.30</b>                          | <b>476.79</b>   |
|                                                                                                               |                     | -                |                   |                                      |                 |
| <b>Profit for the year</b>                                                                                    |                     | <b>920.16</b>    | <b>-</b>          | <b>2.15</b>                          | <b>922.31</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

|                                                                                                      | Foot Note | Previous GAAP | Reclassifications | Effect of transition to Ind AS | Ind AS        |
|------------------------------------------------------------------------------------------------------|-----------|---------------|-------------------|--------------------------------|---------------|
| <b>Other Comprehensive income:</b>                                                                   | (i)       |               |                   |                                |               |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>    |           |               |                   |                                |               |
| Remeasurement gains and (losses) on defined benefit obligations (net)                                | (d)       | -             | -                 | (0.05)                         | (0.05)        |
| <b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b> |           | -             | -                 | (0.05)                         | (0.05)        |
| <b>Total comprehensive income for the year, net of tax attributable to:</b>                          |           | <b>920.16</b> | <b>-</b>          | <b>2.10</b>                    | <b>922.26</b> |

### Notes:

**(a) Deferred credit terms with customers**

Under Indian GAAP, the Group accounted for revenue from operations at its transaction value. Under Ind AS, where the inflow of cash is deferred, revenue is determined at its fair value by discounting all future receipts using an imputed rate of interest.

**(b) Multiple arrangements**

Under Indian GAAP, the Group has accounted for various components of a multiple-element arrangement as a single contract at its transaction value. However, under Ind AS, the Group has identified separately each components of a combined transaction and recognized revenue on each component at its fair value.

**(c) Investments carried at FVTPL**

Under Indian GAAP, the Group accounted for investments in quoted mutual funds as investment measured at the lower of cost and market value. Under Ind AS, the Group has measured such investments at fair value. The difference between fair value and Indian GAAP carrying amount has been recognized in retained earnings.

**(d) Remeasurement gain / loss on defined benefit plans**

Under India GAAP, the Group recognized remeasurement gains / losses and expected rate of return defined benefit plans in the income statement. Under Ind AS the Group has recognized the measurement gain / losses and the return on assets (excluding interest) relating to retirement benefit plans in other comprehensive income. However, this has no impact on total comprehensive income and total equity..

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in crores of Indian Rupees, except in respect of number and per share information)***(e) Impairment of financial assets**

Under Indian GAAP, provisioning on trade receivables was made on incurred loss model. Under Ind AS, the provision has been created based on the expected credit loss model.

**(f) Government Grants**

Under Indian GAAP, the Group has accounted for fixed assets net of the import duty exemption provided. Under Ind AS, the Government grant is to be separately identified and recognised as deferred revenue and fixed assets is to be accounted at the gross value including the duty saved portion. The income is to be recognised over the life of the respective assets and depreciation is to be charged on the grossed value of fixed assets.

**(g) Other financial assets**

Under Indian GAAP, the Group measures the rental deposits paid to the lessor and rental deposits received from customers at transaction value. Under Ind AS, the deposits have been measured at fair value and the difference between the fair value and the transaction cost has been recorded as prepaid lease rent / deferred revenue.

**(h) Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

On transitional adjustments, the corresponding deferred taxes have been recognized.

**(i) Other comprehensive income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(j) Equity method of accounting:**

The Group holds 59.44% interest in South Asia FM Limited and exercises joint control over the entity. Under Indian-GAAP group has consolidated its interest in the South Asia FM Limited using line by line consolidation methodology. On transition to Ind AS the group has assessed and determined that South Asia FM Limited is its joint venture under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against Line by Line consolidation. For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the group had previously proportionately consolidated including any goodwill arising on acquisition. Derecognition of line by line consolidated South Asia FM limited has resulted in change in balance sheet, statement of profit and loss and cash flow statement. For its impact on the financial statement refer note 6.

**(k) Investment Properties**

Under Indian GAAP, investment properties were presented as part Property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet.

**(l) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 46. Goodwill on consolidation

Goodwill on consolidation represents the excess purchase consideration paid over net asset value of acquired subsidiary on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at March 31, 2017.

Goodwill on consolidation as at March 31, 2017 stood at Rs. 4.80 crores (previous year March 31, 2016 : Rs. 4.80 crores, April 1, 2015: Rs. 4.80 crores). The Group acquired 98.18% equity share stake in Kal Radio Limited through investment on various dates and the excess purchase consideration paid over the net assets taken over to the extent of Rs. 4.80 crores was recognised as Goodwill.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) within Media and Entertainment operating segment, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at each reporting date.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU over a period of ten years. An average of the range of each assumption used is mentioned below. As of March 31, 2017, March 31, 2016 and April 1, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

| Assumption            | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-----------------------|----------------|----------------|---------------|
| Long term growth rate | 8% - 10%       | 8% - 10%       | 8% - 10%      |
| Operating Margins     | 10%-15%        | 10%-15%        | 10%-15%       |
| Discount rate         | 12%            | 12%            | 12%           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

## Note 47. Statutory Group Information

| Name of the entity in the group                    | Net Assets, i.e., total assets<br>minus total liabilities | Share in profit<br>and loss                | Share in other Comprehensive<br>income                   | Share in total Comprehensive<br>income   |
|----------------------------------------------------|-----------------------------------------------------------|--------------------------------------------|----------------------------------------------------------|------------------------------------------|
|                                                    | As % of<br>consolidated<br>net assets                     | As % of<br>consolidated<br>profit and loss | As % of<br>consolidated other<br>comprehensive<br>income | As % of total<br>comprehensive<br>income |
| <b>Parent</b>                                      |                                                           |                                            |                                                          |                                          |
| <b>Sun TV Network Limited</b>                      |                                                           |                                            |                                                          |                                          |
| Balance as at 31 March, 2017                       | 82% 3,308.00                                              | 95% 979.41                                 | (0.98)                                                   | 95% 978.43                               |
| Balance as at 31 March, 2016                       | 83% 2,897.00                                              | 94% 869.69                                 | (143%) 0.07                                              | 94% 869.76                               |
| <b>Subsidiaries</b>                                |                                                           |                                            |                                                          |                                          |
| <b>Indian</b>                                      |                                                           |                                            |                                                          |                                          |
| <b>Kal Radio Limited</b>                           |                                                           |                                            |                                                          |                                          |
| Balance as at 31 March, 2017                       | 8% 312.62                                                 | 2% 22.09                                   | (0.55)                                                   | 2% 21.55                                 |
| Balance as at 31 March, 2016                       | 6% 197.72                                                 | 2% 21.19                                   | (0.12)                                                   | 2% 21.07                                 |
| <b>Non-controlling interests in its subsidiary</b> |                                                           |                                            |                                                          |                                          |
| Balance as at 31 March, 2017                       | 0% 3.61                                                   | 0% 0.41                                    | -                                                        | 0% 0.41                                  |
| Balance as at 31 March, 2016                       | 0% 3.20                                                   | 0% 0.48                                    | -                                                        | 0% 0.48                                  |
| <b>Joint Venture</b>                               |                                                           |                                            |                                                          |                                          |
| <b>Indian</b>                                      |                                                           |                                            |                                                          |                                          |
| South Asia FM Limited                              |                                                           |                                            |                                                          |                                          |
| Balance as at 31 March, 2017                       | 10% 407.64                                                | 3% 28.75                                   | -                                                        | 3% 28.75                                 |
| Balance as at 31 March, 2016                       | 11% 378.89                                                | 3% 30.95                                   | -                                                        | 3% 30.95                                 |
| <b>Total Balance as at 31 March, 2017</b>          | 100% 4,032.07                                             | 100% 1,030.66                              | (1.53)                                                   | 100% 1,029.14                            |
| <b>Balance as at 31 March, 2016</b>                | 100% 3,477.24                                             | 100% 922.31                                | (0.05)                                                   | 100% 922.26                              |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

### Note 48. Disclosure On Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes(SBNs) and other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars                                  | SBNs     | Other denomination notes | Total       |
|----------------------------------------------|----------|--------------------------|-------------|
| Closing cash in hand as on 08.11.2016        | 0.09     | 0.09                     | 0.18        |
| (+) Permitted receipts                       | -        | 0.58                     | 0.58        |
| (-) Permitted payments                       | 0.02     | 0.38                     | 0.38        |
| (-) Amount deposited in Banks                | 0.07     | 0.12                     | 0.20        |
| <b>Closing cash in hand as on 30.12.2016</b> | <b>-</b> | <b>0.16</b>              | <b>0.16</b> |

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

### Note 49. As required by Accounting Standard (Ind - AS-37) "Provisions, Contingent Liabilities and Contingent Assets" the details of Provisions are set out as under

| Nature of Provision           | Opening Balance | Provision for the year | Provision written back / adjusted | Closing Balance |
|-------------------------------|-----------------|------------------------|-----------------------------------|-----------------|
| Claims related to Service tax | 4.96            | 2.28                   | -                                 | 7.24            |
| FM License fees               | 2.05            | 2.05                   | -                                 | 4.10            |
|                               | <b>7.01</b>     | <b>4.33</b>            | <b>-</b>                          | <b>11.34</b>    |

As per our report of even date.

#### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

#### per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : May 26, 2017

#### For and on behalf of the board of directors

#### Kalanithi Maran

Chairman

#### K Vijaykumar

Managing Director &  
Chief Executive Officer

#### R. Ravi

Company Secretary

#### V C Unnikrishnan

Chief Financial Officer

Place : Chennai

Date : May 26, 2017