



# SUN TV NETWORK LIMITED

Regd. Office: 4, Norton Road, Mandaveli, Chennai 600 028, India. Tel: 2464 8181 Fax: 2464 8282

## NOTICE

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Shareholders of Sun TV Network Limited will be held at Narada Gana Sabha, 314, T T K Road, Chennai 600018 on Wednesday, the 27th day of August 2008 at 10.00 AM to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To elect a Director in the place of Mr. S. Sridharan, who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in the place of Mr. M. K. Harinarayanan who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration. M/s. S. R. Batliboi & Associates, Chartered Accountants, Chennai retire and being eligible offers themselves for re-appointment.

In this connection to consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

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

**BY ORDER OF THE BOARD**

**R. RAVI**  
**COMPANY SECRETARY**

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

30th June 2008

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
2. The Register of members and the Share Transfer Books of the Company will remain closed from 14th August 2008 to 27th August 2008 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
3. The Dividend as recommended by the Board of Directors and to be approved by the Shareholders at the Annual General Meeting to be held on Wednesday, the 27th August 2008 shall be paid to those members whose names appear on the Register of Members as on 14th August 2008.
4. Members are requested to quote their DP ID & Client ID/ Folio Numbers in all correspondence with the Company.
5. Members and/or their proxies should bring the Attendance Slips duly filled in for attending the meeting.

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING.**

**1. Mr. S. Sridharan**

Mr. S. Sridharan, aged 46 years, was appointed as non - executive Independent Director of the Company in January 2006. He has over 20 years of experience and is a member of Madras Stock Exchange. He has served as a elected Director in the Board of Madras Stock Exchange Limited from September 1995 to September 2001 and was the Vice President of the exchange from October 1996 to November 1997.

He is the Chairman of the Investors Grievance Committee and a member of the Audit Committee and Remuneration Committee of the Board of Directors.

He does not hold any share in the Company.

**2. Mr. M. K. Harinarayanan**

Mr. M. K. Harinarayanan, aged 44 years, is a non-executive independent Director of the Company and was appointed in January 2006. He hails from a traditional family who pioneered the brick industry in 1941. He is a developer of residential layouts in the western part of Chennai and owns and operates Service Apartments to cater to the present influx of entertainment, communication and IT industries.

He is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Investors Grievance Committee.

He does not hold any share in the Company.

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**ATTENDANCE SLIP**

Twenty Third Annual General Meeting, 27th August 2008

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

No. of shares held .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Third Annual General Meeting of the Company to be held on Wednesday, the 27th August 2008 at 10.00 AM at Narada Gana Sabha, 314, T T K Road, Chennai 600018.

Name of the Member/proxy  
 (in BLOCK letters)

Signature of the member/proxy

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



**SUN TV NETWORK LIMITED**  
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**PROXY FORM**

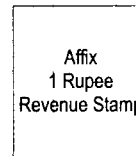
Regd. Folio No./ DP ID/ Client ID.....

Twenty Third Annual General Meeting, 27th August 2008

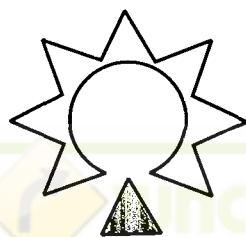
No. of shares held.....

I/We .....of  
 being a member of Sun TV Network Limited hereby appoint ..... Of  
 ..... as my/our Proxy or failing him/her  
 .....of .....as my proxy to  
 vote for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on  
 Wednesday, the 27th August 2008 at 10.00 AM at Narada Gana Sabha, 314, T T K Road, Chennai 600018 and at  
 any adjournment thereof.

Signed this..... day of.....2008



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



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**Sun TV Network Limited**

Annual Report 2008

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

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

**SECRETARY**

R.Ravi

**BANKERS**

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

**AUDITORS**

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

**REGISTERED OFFICE**

4, Norton Road,  
Mandaveli,  
Chennai - 28

**REGISTRAR AND SHARE TRANSFER AGENT**

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

#### **AUDIT COMMITTEE**

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

#### **REMUNERATION COMMITTEE**

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

#### **INVESTORS GRIEVANCE COMMITTEE**

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

#### **SHARE TRANSFER AND TRANSMISSION COMMITTEE**

Kalanithi Maran Chairman  
Kavery Kalanithi

#### **MANAGEMENT**

Kalanithi Maran Chairman and Managing Director  
Kavery Kalanithi Joint Managing Director  
S.Natrajhen Chief Financial Officer  
S.Kannan Chief Technical Officer  
Hansraj Saxena Chief Operating Officer - Tamil  
A.Manohar Prasad Chief Operating Officer - Telugu  
K.Vijaya Kumar Chief Operating Officer - Kannada  
C.Praveen Chief Operating Officer - Malayalam  
R.Ravi Company Secretary and Compliance Officer

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## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Twenty Third Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2008.

### FINANCIAL RESULTS

The financial highlights for the financial year ended 31st March 2008 are given below:

(Rs.in Millions)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
Total Income	9259.9	7,264.0
Total Expenditure (Excluding Interest)	3522.1	3,144.1
Profit before interest and tax	5737.8	4,119.9
Interest & Financial Charges	55.6	30.9
<b>Profit Before Taxation</b>	5682.2	4,089.0
Provision for Taxation	2012.4	1,400.8
<b>Profit after tax</b>	3669.8	2,688.2
Accumulated Profit, beginning of the year	4901.6	2,348.7
Transfer in terms of the amalgamation		
From Gemini TV Private Limited ( 'GTPL' )	-	396.2
From Udaya TV Private Limited ( 'UTPL' )	-	434.3
Interim Dividend	-	(206.7)
Tax on Interim dividend	-	(29.0)
Proposed dividend	(985.2)	(394.1)
Tax on Proposed dividend	(167.4)	(67.0)
Transfer to General Reserve	(367.0)	(269.0)
Profit Carried forward	7051.8	4901.6
Earnings Per Share (Face value Rs.5/-)	9.31	6.85

The total Income for the year ended 31st March 2008 registered a significant growth of 27 % at Rs.9,259.9 million as against Rs.7,264.0 million during the previous year ended 31st March 2007. The year on year growth in Profit before taxes was even higher at 39 % at Rs.5682.2 million as against Rs.4,089.0 million in the previous year. In tune with the improved profits, after providing for a higher provision towards income tax, deferred tax and fringe benefits tax of Rs.2,012.4 million for the year ended 31st March 2008, the Profit after tax was higher by 37 % at Rs.3,669.8 million as against Rs.2,688.2 million in the previous year. The sustained growth and consistent higher margins are reflective of the Company's continued dominance in broadcasting business in the Southern states.

### DIVIDEND

The Board of Directors recommends a dividend of 50%, i.e., Rs.2.50 per equity share of face value of Rs.5/- on the enhanced Share capital of Rs.1970.4 million post merger and issue of 1:1 bonus shares during the financial year under review. The outflow (excl. taxes) is Rs. 985.20 million as against a total of Rs.600.8 million paid for the previous financial year ended 31st March 2007. The Register of Members of the Company will remain closed from 14th August 2008 to 27th August 2008 (both days inclusive) to facilitate payment of the dividend as approved at the Annual General Meeting.

## SHARE CAPITAL AND RESERVES

During the financial year under review the Share Capital of the Company has increased from Rs.688.9 million to Rs.1,970.4 million consequent to allotment of 2,96,32,000 equity shares (Face value Rs.10/-) to the Shareholders of Gemini TV (P) Ltd and Udaya TV (P) Ltd in April '07 on the amalgamation and issue of 19,70,42,310 equity shares (Face value Rs.5/-) as bonus shares in ratio of 1:1 by capitalization of reserves in Aug'07. The face value of the Equity share was subdivided from Rs.10/- to Rs 5/- in Aug '07. The Reserves and Surplus of the Company as on 31st March 2008 stood at Rs.12,736.3 million as against Rs.11,204.3 million as on 31st March 2007.

## BUSINESS OVERVIEW

Your Company continues to be the market leader in the four languages it operates its satellite broadcasting channels, viz. Tamil, Telugu, Kannada and Malayalam. On April 29th 2007 your Company launched the first ever regional language channel for the kids "CHUTTI" in Tamil language which was a runaway hit and continues to hold the kids glued to the screen. Chutti channel even out beat the other mainstream channels and has been steadily gaining ground.

The financial year 2007 - 08 also saw your Company's Subsidiaries launching 20 FM radio stations across the country taking the total stations on air as on 31st March 2008 to 23 radio stations. In the subsequent period till the date of this Report it has added another 14 FM radio stations taking the total stations launched by the subsidiaries to 37 stations. In addition, your Company has three operative FM Radio stations at Chennai, Tirunelveli and Coimbatore under the brand 93.5 SURYAN FM which takes the total number of Radio Stations on air under the SUN TV Network to 40 FM radio Stations all using 93.5 frequency.

The financial year also saw one more new revenue stream being operational for the Company thro' the airing of your Channels in the Direct-to-Home (DTH) platforms of DISH TV; Tata Sky and SUN Direct TV.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## DIRECTORS

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





#### **CHANGE OF REGISTERED OFFICE OF THE COMPANY:**

Your Directors wish to inform you that the Registered Office of the Company has been shifted to 4, Norton Road, Mandaveli, Chennai 600 028 with effect from 15th May 2008.

#### **CORPORATE GOVERNANCE**

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

#### **PARTICULARS OF EMPLOYEES**

Sun TV Network Limited had 1337 employees as of March 31, 2008 (previous year 1316). In accordance with the provisions of Section 217(2A) of the Companies Act 1956 and the rules framed there under, the required information is annexed and forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors Report is being sent to all the Shareholders of the Company excluding the said annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

#### **AUDITORS**

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company has donated a sum of Rs. 19.6 millions to Sun Foundation, a Charitable trust to support the various social welfare activities carried out by the trust.

#### **SUBSIDIARY COMPANIES**

The Audited Financial Statements of the two subsidiaries namely Kal Radio Limited and South Asia FM Limited and also the Statement of the Holding Company's interest in the subsidiaries as specified in sub-section (3) of Section 212 of the Companies Act 1956 are annexed hereto and form part of this Annual Report.

Kal Radio Limited owns 18 FM radio licenses in Southern India of which fourteen (14) stations were on air as on 31st March 2008 and the balance four (4) Stations went on air during the subsequent period upto the date of this Report. KAL Radio reported a total income of Rs.70.80 million and posted a net loss of Rs.168.28 million for the year ended 31st March 2008 as against a total income of Rs.6.06 million and a net loss of Rs.105.11 million respectively in the previous year.

South Asia FM Limited owns 23 FM radio licenses all over India (except the Southern states of Tamilnadu, Karnataka, Andhra Pradesh and Kerala) of which nine (9) stations were on air as on 31st March 2008 and another ten (10) Stations went on air during the subsequent period upto the date of this Report. The remaining four stations are expected to go on air in due course. South Asia FM reported a total income of Rs.73.18 million and posted a net loss of Rs.382.55 million for the year ended 31st March 2008 as against a total income of Rs.23.01 million and a net loss of Rs.142.04 million respectively in the previous year.

In August 2007, Sun TV Network Limited, through its subsidiary South Asia FM Limited (SAFL) had entered into a strategic alliance with Red FM to further its FM Radio broadcasting business in the North, West and East Indian markets and in January 2008 SAFL has entered into an agreement with South Asia Multimedia Technologies Limited, Mauritius (SAMTL) for a 6.98 % stake in SAFL.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## CEO/CFO CERTIFICATION

The Chairman and Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49(V) of the listing agreement.

## PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of section 58A of the Companies Act, 1956 during the financial year ended 31st March 2008.

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

### (A) CONSERVATION OF ENERGY

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

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

The Company uses state of art technology in broadcasting its programmes. The outdated technologies are constantly identified and updated with latest innovations.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	: Rs. 385.3 Million
	(Previous year Rs. 344.2 Million)
Foreign Exchange Outgo	: Rs. 1428 Million
	(Previous year Rs. 89.5 Million)

## ACKNOWLEDGEMENT

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

**On behalf of the Board**

Place : Chennai  
Date : 30<sup>th</sup> June 2008

**Kalanithi Maran**  
**Chairman & Managing Director**