



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

SECRETARY

R.Ravi

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s Karvy Computer Share (P) Ltd,
Plot Nos. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

INVESTORS GRIEVANCE COMMITTEE

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

SHARE TRANSFER AND TRANSMISSION COMMITTEE

Kalanithi Maran Chairman
Kavery Kalanithi

MANAGEMENT

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

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

| Particulars | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|-----------------|----------------|----------------|----------------|----------------|
| Total Income | 19,705.0 | 14,375.2 | 10,915.2 | 9,259.9 | 7,264.0 |
| Total Expenditure (Excluding Interest & Financial Charges) | 8,132.0 | 5,699.0 | 4,215.3 | 3,522.1 | 3,144.1 |
| Profit before interest and tax | 11,573.0 | 8,676.2 | 6,699.9 | 5,737.8 | 4,119.9 |
| Interest & Financial Charges | 19.8 | 12.0 | 38.9 | 55.6 | 30.9 |
| Profit Before Taxation | 11,553.2 | 8,664.2 | 6,661.0 | 5,682.2 | 4,089.0 |
| Provision for Taxation | 3,831.0 | 2,990.4 | 2,289.9 | 2,012.4 | 1,400.8 |
| Profit after tax | 7,722.2 | 5,673.8 | 4,371.1 | 3,669.8 | 2,688.2 |
| Earnings Per Share (Face value Rs. 5 /-) | 19.60 | 14.40 | 11.09 | 9.31 | 6.85 |

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of Sun TV Network Limited will be held at Kalaignar Arangam, Anna Arivalayam, 367 / 369, Anna Salai, Teynampet, Chennai - 600 018 on Monday, the 19th day of September 2011 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 2011 and the Profit & Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. J. Ravindran, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Nicholas Martin Paul, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

BY ORDER OF THE BOARD

**R. RAVI
COMPANY SECRETARY**

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

May 26, 2011

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 10th September 2011 to 19th September 2011 (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 Monday, the 19th September 2011 shall be paid to those members whose names appear on the Register of Members as on the close of 9th September 2011.
4. Members are requested to quote their DP ID & Client ID/ Folio Numbers in all correspondence with the Company.
5. Members and/or their proxies should bring the Attendance Slips duly filled in for attending the meeting.

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

| Name of the Director | Mr. J. Ravindran | Mr. Nicholas Martin Paul |
|--|---|---|
| Brief Profile | Mr. J. Ravindran aged 36 was appointed as a non-executive independent Director of the Company in February 2006. He has a bachelor's degree in arts and law degree from the University of Madras. An advocate by profession, Mr. J. Ravindran is practicing in Madras High Court. He is Assistant Solicitor General of India, Madras High Court. He is a Director in SpiceJet Limited, Kal Radio Limited and South Asia FM Limited. He does not hold any share in the Company. | Mr. Nicholas Martin Paul aged 44 was appointed as a non-executive independent Director of the Company in February 2006. He has a bachelor's degree in history from University of Madras. Mr. Nicholas Martin Paul is a Director in SpiceJet Limited, Splendid Fine Foods Private Limited, Tan Business Ventures Private Limited and Tan Retail Ventures Private Limited. He does not hold any share in the Company. |
| Directorships held in other public companies (excluding Private Companies and Foreign Companies) | 3 | 1 |
| Memberships/ Chairmanships of committees in public companies | He is the Chairman of the Remuneration Committee and Member of the Investors Grievance Committee and Audit Committee of Sun TV Network Limited. He is the Chairman of the Investors Relations Committee and Member of Audit Committee and Compensation Committee of SpiceJet Limited. He is the Chairman of the Audit Committee of South Asia FM Limited. He is also the Chairman of Audit Committee of Kal Radio Limited and Member of Remuneration Committee. | He is member of Audit Committee, Remuneration Committee and Investors Grievance Committee of Sun TV Network Limited. He is also a Member of Audit Committee and Investors Relations Committee of SpiceJet Limited. |
| Shareholding of Non-Executive Director | Nil | Nil |
| Relationships between directors inter-se | Nil | Nil |

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors are pleased to present the Twenty Sixth Annual Report and Audited Financial Accounts of the Company for the financial year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

The financial highlights for the financial year ended 31st March 2011 are given below:

(Rs.in Millions)

| Particulars | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2011 | 31 st March, 2010 |
| Total Income | 19,705.0 | 14,375.2 |
| Total Expenditure (Excluding Interest & Financial Charges) | 8,132.0 | 5,699.0 |
| Profit before interest and tax | 11,573.0 | 8,676.2 |
| Interest & Financial Charges | 19.8 | 12.0 |
| Profit Before Taxation | 11,553.2 | 8,664.2 |
| Provision for Taxation | 3,831.0 | 2,990.4 |
| Profit after tax | 7,722.2 | 5,673.8 |
| Accumulated Profit, beginning of the year | 11,490.7 | 9,833.1 |
| Interim Dividend | (1,970.4) | (591.1) |
| Tax on Interim dividend | (327.3) | (100.5) |
| Proposed dividend | (1,477.8) | (2,364.5) |
| Tax on Proposed dividend | (239.7) | (392.7) |
| Transfer to General Reserve | (772.2) | (567.4) |
| Profit Carried forward | 14,425.5 | 11,490.7 |
| Earnings Per Share (Face value Rs.5/-) | 19.60 | 14.40 |

The total income for the year ended 31st March 2011 registered a handsome growth of 37.08% at Rs. 19,705.0 millions as against Rs.14,375.2 millions during the previous year ended 31st March 2010. Profit before taxes grew by 33.34% at Rs. 11,553.2 million as against Rs. 8,664.2 millions in the previous year. The Profit after tax was higher by 36.10% at Rs.7,722.2 million as against Rs. 5673.8 million in the previous year after providing for a higher provision towards income tax and deferred tax of Rs. 3831.0 million for the year ended 31st March 2011 in line with higher profits. Your Company continued to maintain its leadership position in the market, supported by highly popular content and a well - diversified mix of clients (national, regional and local) cutting across a broad spectrum of products and services resulting in the continuous growth of advertising and subscription revenue.

FINAL DIVIDEND:

For the financial year ended 31st March 2011, the Board of Directors has recommended a Final Dividend of 75%, i.e., Rs.3.75 per equity share of face value of Rs.5.00 each. This Final Dividend together with the Interim Dividend of 100%, i.e., Rs.5.00 per equity share of face value of Rs.5.00 each declared on 28th January 2011 would result in a total dividend of 175 %, i.e., Rs.8.75 per equity share of face value of Rs.5.00 each for the financial year ended 31st March 2011.(Prev. Year of 150 %, i.e., Rs 7.50 per equity share of face value of Rs.5.00 each.)

BUSINESS OVERVIEW

Your Company, one of the largest Television Broadcasters in India operating 20 Satellite Television Channels across four languages of Tamil, Telugu, Kannada and Malayalam and presently airing 43 FM radio stations across India has been on a high growth trajectory in the recent years. Your Company continued its dominance of the Southern region, aided by increasing viewership of its popular channels, which in turn helped in growing advertising and subscription revenues.

As part of its strategy to increase global viewership of its channels, your Company appointed Global Media Management LLC and World Media Connect LLC during the financial year to manage and grow its distribution and advertising business, respectively, in the North American market. Your Company is looking to increase its penetration of the South Indian diaspora that lives in North America and consequently, increase both subscription and advertising revenue from the region. Sun TV Network's footprint currently extends to the USA, Canada, Europe, the Middle East, Singapore, Malaysia, Sri Lanka, South Africa, Australia and New Zealand.

REGISTERED OFFICE

The construction of your Company's own office building at MRC Nagar has been completed and consequent to this the Registered Office has been shifted to our own premises at Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600028.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

DIRECTORS

In accordance with the provisions of Articles of Association of the Company, Mr. J. Ravindran and Mr. Nicholas Martin Paul, independent directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Board recommends their reappointment as Directors of your Company.

During the year under review Mr. Kalanithi Maran and Mrs Kavery Kalanithi have been re-appointed as Chairman & Managing Director and Joint Managing Director respectively with effect from 15th December, 2010 vide ordinary resolution passed through Postal Ballot dated 29th October, 2010.

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 2111 employees as of March 31, 2011 (previous year 1987). In accordance with the provisions of Section 217(2A) of the Companies Act 1956 and the rules framed there under, the required information is annexed and forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors Report is being sent to all the Shareholders of the Company excluding the said annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company has donated a sum of Rs. 7.8 millions to Sun Foundation, a Charitable trust to support the various social welfare activities carried out by the trust.

SUBSIDIARY COMPANIES

The two subsidiaries Kal Radio Limited and South Asia FM Limited together own 41 licenses of which 40 Radio stations were fully operational for the year under review. The revenue of the two subsidiaries were at Rs. 86.99 crores for the year under review as against Rs. 56.24 Crores for the previous year ended 31st March, 2010. After accounting for minority interest in South Asia FM Limited the share of loss of the two subsidiaries (Kal Radio Limited and South Asia FM Limited) is Rs. 1.68 crores as against Rs. 39.43 crores in the previous year.

Ministry of Corporate Affairs, Government of India has vide its general circular No. 2/2011 granted general exemption from the requirement to attach various documents in respect of subsidiary companies, as specified in sub-section (1) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said circular, is disclosed elsewhere in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

During the previous year your company had incorporated a wholly owned subsidiary "Sun TV Network Europe Limited" in United Kingdom to Broadcast and distribute its channels in U.K. and Europe and it has started earning revenues. The total revenue of Sun TV Network Europe Limited is Rs. 13.47 crores as against Rs. 3.32 Crores in the previous year and the Net Loss after taxes is Rs. 2.88 crores as against Rs. 8.05 Crores in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

As required by the listing agreement with the Stock Exchanges, the Audited Consolidated Financial Statements prepared in Accordance with Accounting Standard-AS 21 notified by the Companies Accounting Standard Rules, 2006 are attached. The Audited Consolidated Financial Statements also account for the minority interest of your Company's subsidiary South Asia FM Limited pursuant to the strategic alliance with Red FM.

CEO/CFO CERTIFICATION

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

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public in terms of section 58A of the Companies Act, 1956 during the financial year ended 31st March 2011.

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

(A) CONSERVATION OF ENERGY

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

| | |
|---------------------------|----------------------------------|
| Foreign Exchange Earnings | : Rs. 690 Millions |
| | (Previous year Rs.560.3 Million) |
| Foreign Exchange Outgo | : Rs. 1,190.5 Millions |
| | (Previous year Rs.651.9 Million) |

ACKNOWLEDGMENT

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

We look forward to the future with determination and confidence.

On behalf of the Board

Place : Chennai
Date : May 26, 2011

Kalanithi Maran
Chairman & Managing Director

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

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

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

INDUSTRY

The media and entertainment industry is one of the fastest growing sectors in the world. The emergence of new technologies in recent years has radically redefined the way media impacts households and corporations alike.

The Indian Media and Entertainment Industry (M&E) has been no exception to the global trends. The key components of M&E industry in the country include film, television, radio, advertising, print media, and music. With the increase in TV penetration, the share of television in M&E has become significant in value terms. The Television Industry with increased hours of mass entertainment programming during prime time and better coverage of popular events like sports and elections has seen an explosive growth in consumer mindshare. Its status as the preferred mode of entertainment of the people is obvious from the fact that it now contributes more than 60 percent of the entertainment industry's revenues. Television, the major contributor to the overall industry revenue, is estimated to grow at a steady rate over the next five years with increased viewership thanks to a wider range of channels. The television industry is now ready to advance to the next stage of its evolution, leverage off a whole host of newer technologies and completely change the way home entertainment is delivered. Over the next few years, cable and satellite, along with emerging delivery platforms like DTH and IP-TV are expected to revolutionize the industry. With increasing numbers of TV households getting digitized, the revenue potential of large broadcasters, hitherto lost through rampant underreporting, gets fully realized through the devices installed at customer premises. Mobile TV is yet another exciting prospect, involving live video streaming directly on to a handset, which in turns unleashes a range of customer applications ranging from education to entertainment to life saving interventions through telemedicine.

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

OPPORTUNITIES AND THREATS

Opportunities:

The rapid pace of innovation and the introduction of new TV broadcast technologies create opportunities to serve new customers in new markets. The presence of large and wealthy Indian diaspora abroad is another powerful enabler for market expansion abroad.