

**Sun TV Network Limited**

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**Unaudited Financial Results for the quarter ended June 30, 2016**



**Statement of Unaudited Financial Results for the quarter ended June 30, 2016**

(Rupees in crores except EPS and unless otherwise stated)

Sl. No	Particulars	Quarter Ended	
		June 30, 2016	June 30, 2015
		Unaudited	Unaudited
<b>1</b>	<b>Income from operations</b>		
	Income from operations	760.83	689.45
	<b>Total Income from operations</b>	<b>760.83</b>	<b>689.45</b>
<b>2</b>	<b>Expenses</b>		
	(a) Cost of Revenues	49.66	50.72
	(b) IPL Franchise Fees	85.48	85.05
	(c) Employees' Remuneration and Benefits	60.30	54.53
	(d) Depreciation and Amortisation	100.77	130.17
	(e) Other expenditure	128.96	92.22
	<b>Total Expenses</b>	<b>425.17</b>	<b>412.69</b>
<b>3</b>	<b>Profit from operations before other income and finance costs (1 - 2)</b>	<b>335.66</b>	<b>276.76</b>
<b>4</b>	Other Income	21.55	22.50
<b>5</b>	<b>Profit from ordinary activities before finance costs and extraordinary items (3 + 4)</b>	<b>357.21</b>	<b>299.26</b>
<b>6</b>	Finance costs	0.13	0.80
<b>7</b>	<b>Profit before tax (5 - 6)</b>	<b>357.08</b>	<b>298.46</b>
<b>8</b>	Tax expense	124.02	102.64
<b>9</b>	<b>Net Profit for the period after taxes (7 - 8)</b>	<b>233.06</b>	<b>195.82</b>
<b>10</b>	Other Comprehensive Income (net of taxes)	0.02	0.02
<b>11</b>	<b>Total Comprehensive Income (9 +10)</b>	<b>233.08</b>	<b>195.84</b>
<b>12</b>	Paid-up equity share capital (face value Rs. 5/-)	197.04	197.04
<b>13</b>	Earning Per Share (Rs.) - Basic and Diluted	5.91	4.97
		<b>[Not annualised]</b>	

**Notes:**

- The above unaudited financial results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 19, 2016.
- The Company's operations predominantly relate to a single segment, Media and Entertainment.
- The results for the quarter ended June 30, 2016 are in compliance with Indian Accounting Standards ("Ind-AS") notified by the Ministry of Corporate Affairs (MCA) notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015. Such results have been prepared under the recognition and measurement principles of Ind-AS, applying a transition date of April 01, 2015. As regards disclosure of comparative figures, Management has elected to apply the permissible exemptions provided in SEBI circular CIR/CFD/FAC/62/2016 dated July 05, 2016. Accordingly, the results for the quarter ended June 30, 2015 have been restated to comply with Ind-AS, and are presented as comparatives. Such comparative figures have not been subjected to limited review or audit. However, the management has exercised due diligence to ensure that the financial results presents a true and fair view of its affairs.

4 Consequent to transition from the previous IGAAP to Ind-AS, the reconciliation of profit is provided as below for the previous period in accordance with the requirements of paragraph 32 of Ind-AS 101 - First time adoption of Ind-AS.

Particulars	June 30, 2015 ( Unaudited )
<b>Net Profit under IGAAP</b>	<b>197.28</b>
<b>Impact on account of:</b>	
Measurement of investments at fair value through Statement of profit and loss	(1.33)
Fair valuation adjustments to revenue	(1.64)
Imputation of interest in certain customer contracts with deferred credit arrangements.	1.68
Actuarial gain on defined employee benefit plans recognised in Other Comprehensive Income	(0.02)
Deferred tax adjustments	0.42
Other Ind AS adjustments	(0.57)
<b>Net Profit for the period under Ind AS</b>	<b>195.82</b>

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

6 The results for the quarter ended June 30, 2016 includes income from the Company's IPL franchise "Sun Risers Hyderabad" of Rs.144.04 crores (Quarter ended June 30, 2015 Rs. 96.55 crores) and costs of Rs.175.84 crores (Quarter ended June 30, 2015 Rs.153.16 crores).

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

During the current quarter, the Hon'ble High Court of Madras vide its Order dated. June 14, 2016 set aside the impugned order of the MIB dated July 15, 2015, denying the security clearance and directed MIB to disclose the cities of new FM Radio frequencies secured by the Group in the Phase III e-auction process. Further, the Hon'ble Court also directed the MIB to sign the Grant of Permission Agreement ("GOPA") with the Group for both new licenses as well as migrating their existing FM Radio licenses into the Phase III licensing regime.

Consequent to the earlier favourable order from the Hon'ble High Court of Delhi which was also upheld by the Hon'ble Supreme Court, two investees have since signed the GOPA for the three new licenses, and have also operationalised one of the FM stations, namely, Mumbai. All the three investees have also migrated the existing stations to Phase III licensing regime, in the current quarter.

Based on the above, the Management is confident of receiving the required approvals in respect of the applications by the Group which would enable them to continue the operations of these FM Radio stations profitably resulting in the recoverability of the Company's investments both direct and indirect.

8 Comparative period figures have been regrouped / reclassified wherever necessary to conform to current periods' classification.

**For and on behalf of the Board of Directors**

Place : Chennai  
Date : August 19, 2016

**Kalanithi Maran**  
Chairman