

SOUTH ASIA FM LIMITED



ANNUAL REPORT 2018



SOUTH ASIA FM LIMITED



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.K. Shanmugam	Managing Director
Mr.Donakanti Arjun Rao	Director
Mr.J.Ravindran	Independent Director
Mrs.Nisha Narayanan	Director
Mr.Nicholas Martin Paul	Independent Director

COMPANY SECRETARY

Mr.C.Venkatesh

STATUTORY AUDITOR

Ms.N.Priya (Membership No.223834), Chartered Accountant
New # 41, Ramanujam Street, T.Nagar, Chennai – 600 017.

PRINCIPAL BANKER

City Union Bank Limited

REGISTERED OFFICE

Murasoli Maran Towers,
73, MRC Nagar Main Road,
MRC Nagar,
Chennai – 600 028.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report for the year ended March 31, 2018 together with the Balance Sheet and the Profit and Loss account Statement for the year ended on that date.

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Revenues	13094.07	10898.09
Other Income	2650.94	3255.62
Total Income	15745.01	14153.71
Expenditure (Excluding interest, depreciation & amortization)	9242.73	7689.81
Earning before interest, tax, depreciation & amortization (EBITDA)	6502.28	6463.90
Finance Costs	83.12	64.98
Depreciation and amortization	1731.12	1483.27
Earning before taxation (EBT)	4688.04	4915.65
Current Tax	-	-
MAT Credit	1031.02	-
Fringe Benefit Tax (FBT)	-	-
Profit/(Loss) for the year	3657.02	4915.65

OPERATIONS

The financial year 2017-2018 was significant for the Company in terms of growth; the broadcasting revenue of the company has increased by 20% to Rs.13094.07 Lakhs from Rs.10898.09 Lakhs of the previous year.

Your Company has achieved profit before tax of Rs.4688.04 Lakhs in the financial year 2017-18 as against Rs.4915.65 Lakhs in the previous year.

Your Directors are of the view that the profit would substantially increase in the years to come on account of measures taken on improving certain areas, both in business and fiscal front during the current year and the Board of Directors are striving hard to make profits in the upcoming years.

There were no changes in the nature of business. No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

There are adequate financial controls commensurate with the size of the organization and with reference to the Financial Statements.

DIVIDEND

In view of carry forward of previous year losses, the Board of Directors had decided not to recommend any dividend for the current financial year 2017-2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Details of contracts or arrangements entered into with the related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 for the financial year 2016-17 which is mentioned in Annexure - C of this report in the form AOC-2, are given in the notes to Financial Statements.

BUSINESS REVIEW

During the year under review, the Company has established the name of the radio stations in the minds of the listeners and advertisers by adopting innovative strategies in programming and mix of music.

The Company has further strengthened its leadership position as the one of the prominent FM station in the Northern Region of India.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Arjun Rao Donakanti, Director of the Company will retire at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends his reappointment at the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declarations from the Independent Directors under section 149(7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

During the Financial Year 2017-2018, the Board met 4 times on:

S No.	Dates of Meeting of the Board	Quarter	No of directors on the date of meeting	Total no of directors attended
1	24/05/17	Apr-June	5	5
2	09/08/17	July-Sep	5	5
3	02/11/17	Oct-Dec	5	5
4	22/01/18	Jan-Mar	5	5

The meetings of the Board were held periodically and 120 days has not lapsed between two meetings as prescribed under section 173(1) of the Companies Act, 2013.

CORPORATE GOVERNANCE

Though it is not necessary for the Company to comply with the requirements of Corporate Governance, yet the Company has persistently been observing high standards of Corporate Governance.

AUDIT COMMITTEE

The Company has an independent Audit Committee pursuant to Section 177 of the Companies Act, 2013.

The composition of the audit committee is disclosed below as required under section 177(8) of the Companies Act, 2013:

Name of Member	Category
Mr.J.Ravindran	Chairman
Mr. Shanmugam	Member
Mr. Donakanti Arjun Rao	Member
Mr.Nicholas Martin Paul	Member

The Committee meetings were attended by invitation by the representatives of Internal Auditors and Statutory Auditors.

During the financial year there were no instances in which the Board had not accepted any recommendations of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013. The Policy is given in Annexure A. The Committee for CSR held two meetings during the year.

The Composition of CSR Committee is as follows:

Mr. J.Ravindran - Chairman of the Committee

Mr.K.Shanmugam - Member of the Committee

Mr. Donakanti Arjun Rao - Member of the Committee

The details of the expenditure incurred by your company towards CSR activities, during the Financial Year are enclosed as Annexure A to this report.

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee pursuant to Section 178 of the Companies Act, 2013. The Policy is given in Annexure D

AUDITORS

The Board appointed Ms.N.Priya [Membership No: 223834] Chennai as Statutory Auditor for the financial year 2017-18. The Board recommends for re-appointment of Ms.N.Priya as Statutory

Auditor of the Company for the Financial Year 2018-19 subject to the approval of Shareholders and that the Board of Directors of the Company be and hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

INTERNAL AUDIT

Pursuant to the provisions of section 138 of the Companies Act, 2013, such class or classes of companies shall be required to appoint an internal auditor to conduct internal audit of the functions and activities of the Company. Since our Company is covered under the above criteria, we had already appointed internal auditor for the financial year 2017-18.

SECRETARIAL AUDIT

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 had already appointed M/s.Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

STATUTORY AUDITOR'S AND SECRETARIAL AUDITOR'S REPORT:

Remarks of Statutory Auditors:

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark and hence does not call for any further comment.

Remarks of Secretarial Auditors:

The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark and hence does not call for any further comment.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the financial year ended March 31, 2018.

SUBSIDIARIES OR ASSOCIATE COMPANIES

The following are the list of Subsidiaries, and Associates during the financial year 2017-18.

S.No	Name of the Company	Percentage of shares	Category
NIL	NIL	NIL	NIL

Associates

S.No	Name of the Company	Percentage of shares (both direct & indirect holding)	Category
1	Deccan Digital Networks (Hyderabad) Private Limited	28.99%	Associate
2	Metro Digital Networks (Hyderabad) Private Limited	28.99%	Associate
3	AV Digital Networks (Hyderabad) Private Limited	28.99%	Associate
4	Pioneer Radio Training Services Private Limited	48.89%	Associate
5	Optimum Media Services Private Limited	48.89%	Associate
6	Asia Radio Broadcast Private Limited	48.89%	Associate
7	Digital Radio (Delhi) Broadcasting Limited	48.89%	Associate
8	Digital Radio (Mumbai) Broadcasting Limited	48.89%	Associate
9	Digital Radio (Kolkata) Broadcasting Limited	48.89%	Associate
10	South Asia Multimedia Private Limited	48.89%	Associate

PREVIOUS SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES THAT HAVE CEASED TO BE SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES OF THE COMPANY:

S.No	Name of the Company	Percentage of shares	Category
NIL	NIL	NIL	NIL

Conservation of Energy:

The Company is engaged in FM Radio Broadcasting operations and the information.

Though the company has not carried on any manufacturing activities, it had taken steps to conserve energy in its office, consequent to which energy consumption has been minimized. Since the company has not carried on any industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption:

The Company has become fully operational and is adopting the State of Art technology.

Foreign Exchange Inflow & Outgo:

Since the company has not carried on any export during the financial year under review, the disclosures requirement relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans is not applicable to the company.

Foreign Exchange earned during the year: Rs. Nil (Previous Year : Nil)

Foreign Exchange used during the year: Rs. 364.55 Lakhs/- (Previous Year Rs. 244.45 Lakhs)

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013 your Directors confirm that

- a) In the preparation of the annual accounts for the financial year 2017-18, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Appropriate accounting policies had been selected 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 as on 31st March, 2018 and of the profit and loss of the company for that period;
- c) Had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; To ensure this, the Company has adequate internal control systems, consistent with its size and nature of operations. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems.
- d) The financial statements have been prepared on a going concern basis.
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Board of Directors of the Company are in charge of the risk management and periodically take up the review of the risk mitigation measures.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. The Board of Directors are responsible for redressal of complaints related to sexual harassment.

S.No	Name	Category
1	Ms. Nisha Narayanan	Member
2	Ms. Uma Madhu	Member
3	Ms. Anitha Kumar	External Member
4	Mr. C.Venkatesh	Member
5	Mr.G. Rengarajan	Member

During the year ended 31 March 2018, the committee did not receive any complaints pertaining to sexual harassment.

HUMAN RESOURCES

Employees in any organization are considered as valuable assets. Our success largely depends on our ability to attract and retain the best of talent in the industry. Your Company always endeavours to provide such an environment that each and every employee is motivated to contribute his/her best so as to achieve the objectives of the Organization.

Your Directors also place on record their heartiest appreciation for the sincere, devoted and dedicated services rendered by the staff for the smooth functioning of the Company.

DETAILS REGARDING MIGRATION OF EXISTING FREQUENCIES FROM FM RADIO PHASE-II TO PHASE-III & NEW FREQUENCIES IN BATCH-1 & BATCH-2 OF PHASE-III

The Company participated in the Batch-2 of Phase-III FM radio auction during the financial year 2016-17 and the Company was the successful bidder in 7 cities (Dehradun/Muzzafarpur/Agartala/Jahansi/Leh/Dhule/Nanded). While Dehradun/Muzzafarpur & Dhule Stations have already been launched in July, 18, other 4 stations are expected to be operational during the financial year 2018-19.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals, which affect the going concern status of the Company.

APPRECIATIONS AND ACKNOWLEDGEMENT

The Directors acknowledge with gratitude and wish to place on record their deep appreciation for the valuable assistance and kind co-operation extended to the Company by the Company's Bankers, Financial Institution, Governmental Authorities, Statutory Authorities, Advertisement Agencies, Customers, Suppliers, Advisors, Shareholders and the Employees for their continuous support and faith reposed in the Company.

The Board also wishes to place on record their gratitude for the support, encouragement and positive reception given by the listeners at its various FM Radio stations.

For and on behalf of the Board of Directors

Place : Chennai
Date : July 26, 2018

K. Shanmugam
Managing Director

J. Ravindran
Director

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. **The CSR Policy is appended here**

2. **Composition of the CSR Committee:**

Mr. J. Ravindran
Mr. K. Shanmugam
Mr. Donakanti Arjun Rao

3. **Average net profit of the company for the last three financial years -**
Rs. 3740.80 Lakhs

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

The Company is required to spend Rs.74.82 Lakhs towards CSR.

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

- a) Total amount to be spent for the financial year - Rs. 74.82 Lakhs.
- b) Amount unspent, if any - Nil.
- c) The manner in which the money is spent is given below

(Rs/Lakhs)

S.No.	Projects/Services	Relevant Section of Schedule VII in which the Project is covered (Note 1)	Locations	Amount Outlay (Budget Projects or Program wise)	Amount Spent on the Project or Programs	Cumulative Expr. Upto the reporting periods	Amount Spent Direct or through implementing agency
1	Sun Foundation	(ii)	Chennai	74.00	74.00	74.00	Agency
2	Anti Tobacco Awareness	(i)	Ahmedabad	0.80	0.80	0.80	Direct
3	Hearing Aid awareness	(ii)	Pune	0.12	0.12	0.12	Direct
	Total			74.92	74.92	74.92	

Note 1 :

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water,
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects,
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward ,

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AS RECOMMENDED BY CSR COMMITTEE

The company focuses mainly on the following activities to be referred to as CSR activities.

(i) Promoting preventive and general health care and sanitation;

(ii) Promoting education by providing financial assistance to deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled; promoting livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens.

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

(v) Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(vii) Contributing to rural development projects; and

(viii) Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

(b) Modalities and Implementation Schedule for execution of projects or programs or CSR activities:

The Company will undertake its CSR activities either directly or even to collaborate with other entities. The implementation Schedule for CSR activities will be dependent on the availability of eligible projects.

(c) Expenditure:

The Company shall endeavor to spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years for CSR Policy.

For this purpose, "average net profit" shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013, after deducting therefrom the dividends that may be received from companies in India which are covered under and complying with the provisions of Section 135 of the Companies Act 2013.

The Company will give preference to the local area(s) in and around our offices in India. The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

(d) Monitoring Process:

The Company Secretary & Compliance Officer shall submit a report to the CSR Committee annually about the end-use of contributions made.

ANNEXURE B

**FORM MGT - 9
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2018
[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	U92131TN2005PLC057987
Registration Date	09/11/2005
Name of the Company	South Asia FM Limited
Category/Sub - Category of the Company	Company having Share Capital
Address of the Registered Office and Contact details	Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600028
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

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	60100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company :-

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Sun TV Network Limited	L22110TN1985PLC012491	Holding	59.44%	2(87)

Associate Companies :-

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held (Direct & Indirect)	Applicable Section
1	Deccan Digital Networks (Hyderabad) Private Limited	U72200TG2005PTC048589	Associate	28.99%	
2	Metro Digital Networks (Hyderabad) Private Limited	U72200TG2005PTC048619	Associate	28.99%	
3	AV Digital Networks (Hyderabad) Private Limited	U92111TG2005PTC048588	Associate	28.99%	
4	Pioneer Radio Training Services Private Limited	U80302DL2005PTC143205	Associate	48.89%	
5	Optimum Media Services Private Limited	U74899DL2005PTC143204	Associate	48.89%	
6	Asia Radio Broadcast Private Limited	U92131TN2005PTC058222	Associate	48.89%	
7	Digital Radio (Delhi) Broadcasting Limited	U74140DL2000PLC107734	Associate	48.89%	
8	Digital Radio (Mumbai) Broadcasting Limited	U92111DL2000PLC107736	Associate	48.89%	
9	Digital Radio (Kolkata) Broadcasting Limited	U74140DL2000PLC107732	Associate	48.89%	
10	South Asia Multimedia Private Limited	U51909DL1996PTC078475	Associate	48.89%	

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) 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
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual /HUF	-	21,23,888	21,23,888	0.56		21,23,888	21,23,888	0.56	
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	22,69,92,000	22,69,92,000	59.44	-	22,69,92,000	22,69,92,000	59.44	
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	22,91,15,888	22,91,15,888	60.00		22,91,15,888	22,91,15,888	60.00	-
(2)									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	-	22,91,15,888	22,91,15,888	60.00		22,91,15,888	22,91,15,888	60.00	-

Category Of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt									
(d) State Govt (s)									
(e) Venture Capital funds									
(f) Insurance Companies									
(g) FII's									
(h) Foreign Venture Capital Funds									
(i) Others									
Sub-Total (B)(1)									
(2)									
a) Bodies Corporate									
i. Indian		7,63,71,962	7,63,71,962	20.00		7,63,71,962	7,63,71,962	20.00	NIL
ii. Overseas		7,63,71,963	7,63,71,963	20.00		7,63,71,963	7,63,71,963	20.00	NIL
(a) Individuals		4	4			4	4		NIL
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
(ii) NRIs									
Clearing Members									
Trust									
Sub-Total (B)(2)		15,27,43,925	15,27,43,925	40.00		15,27,43,925	15,27,43,925	40.00	NIL
Total Public Shareholding = (B) (1) + (B) (2)									
C. Shares held by custodian for GDRs & ADRs		-	-	-		-	-	-	-
Grand Total (A+B+C)		38,18,59,817	38,18,59,817	100.00	0	38,18,59,817	38,18,59,817	100.00	NIL

(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	Sun TV Network Limited	226992000	59.44	NIL	226992000	59.44	NIL	-
2	Mr. Kalanithi Maran	2123888	0.56	NIL	2123888	0.56	NIL	-
	Total	150215888	60.00	NIL	229115888	60.00	NIL	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S.No	Particulars	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
	At the beginning of the year	229115888	60.00		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bo nus/sweat equity etc):	-	-	-	-
	At the end of the year			229115888	60.00

(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	A.H. Multisoft Private Limited	76371962	20.00	76371962	20.00
2	South Asia Multimedia Technologies Limited	76371963	20.00	76371963	20.00

(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 during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Mr. K.Shanmugam				
	At the beginning of the year	1	0.00	-	-
	Date wise increase/decrease in shareholding during the year				
	At the end of the year	-	-	1	0.00
2	Mr.J.Ravindran				
	At the beginning of the year				
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Mr. R. Donakanti Arjun Rao				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount		24,00,00,000		
(ii) Interest due but not paid				
(iii) Interest accrued but not due		21,53,000		
Total (i+ii+iii)		24,21,53,000		
Change in indebtedness during the year				
Addition		-		
Reduction		(24,21,53,000)		
Net Change		(24,21,53,000)		
Indebtedness at the end of the Financial year				
(i) Principal Amount		-		
(ii) Interest due but not paid				
(iii) Interest accrued but not due		-		
Total (i+ii+iii)		-		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr.K.Shanmugam	
1	Gross salary	NIL	NIL
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL

(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Exgratia / Bonus	NIL	NIL
5	Others, please specify	NIL	NIL
Total (A)		NIL	NIL
Ceiling as per the Act			

B. Remuneration to other Directors:

S.No.	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr.J.Ravindran	Mr.Donakanti Arjun Rao	
1	3. Independent Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 			
	Total (1)	-	-	-
	4. Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 			
	Total (2)			
	Total (B) = (1)+(2)	-	-	-
	Total Managerial Remuneration Overall Ceiling as per the Act	-	-	-

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:

S.No	Particulars of Remuneration	Key Managerial Personnel (Rs in Lakhs)
		CS
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.41
(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	Commission - as a % of profit	-
5	Others, please specify	-
Total (A)		40.41

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

ANNEXURE C

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 : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis during the year : NIL

ANNEXURE D 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 Clause 49 of the Listing Agreement, 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 Clause 49 of the Listing Agreement.

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.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. South Asia FM Limited

Report on the Financial Statements

I have audited the accompanying standalone Ind AS financial statements of **M/s. South Asia FM Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), 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 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 stand alone 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 the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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

My responsibility is to express an opinion on these standalone Ind AS financial statements based on the audit.

I 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 there under.

I conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the stand alone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the stand alone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion on the stand alone Ind AS financial statements.

Opinion

In my opinion and to the best of our information and according to the explanations given to me, the aforesaid 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, including the Ind AS, of the state of

affairs of the Company as at March 31, 2017, and its Profit including other comprehensive income, Cash Flow and 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, I report that:

a. I have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b. In my 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, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with this Report are in agreement with the books of account;

d. In my 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.

e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 my separate Report in "**Annexure B**".

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 my opinion and to the best of the information and according to the explanations given to me:

i. The Company does not have any pending litigations which would impact its financial position in its 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.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Chennai
Date : 02/05/2018

(N. Priya)
Chartered Accountant
Membership # 223834

“ANNEXURE A” TO THE AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of the report of even date to the stand alone Ind AS financial statements of the Company for the year ended March 31, 2018:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in my opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanation given to me, the company does not possess any immovable property. Hence, paragraph 3 (i)(c) of the order is not applicable.

2) In my opinion and according to the information and explanation given to me, the company’s nature of operation does not require it to hold inventories. Accordingly, paragraph 3(ii) of the order is not applicable.

3) (a) The Company has granted unsecured loans to one body corporate covered in the Register maintained under section 189 of the Companies Act, 2013.

(b) In case of the loans granted to body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated. The terms of the arrangements do not stipulate any repayment schedule and the loans are payable on demand. Accordingly, the provisions of paragraph 3 (iii) (b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

4) In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other

relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.

6) I have broadly reviewed the books of accounts 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 is of the opinion that prima facie, the specified accounts and records have been made and maintained. I have not, however made a detailed examination of such records with a view to determine whether they are accurate or complete.

7) (a) According to information and explanations given to me and on the basis of the examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

8) In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of dues to banks or financial institutions or debenture holders during the year.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, I report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) The Company has not paid or provided any managerial remuneration during the year. Therefore the paragraph 3(xi) of the order is not applicable;

12) In my opinion, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.

13) In my opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and 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. Accordingly, the provisions of paragraph 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In my opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : Chennai
Date : 02/05/2018

(N. Priya)
Chartered Accountant
Membership # 223834

“ANNEXURE B” TO THE AUDITORS’ REPORT

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

I have audited the internal financial controls over financial reporting of M/s. South Asia FM Limited (“the Company”) as of March 31, 2018 in conjunction with the audit of the stand alone 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 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.

Auditors’ Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on the audit. I conducted the audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 I 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.

The audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. The 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 stand alone Ind AS financial statements, whether due to fraud or error.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion on the Company's 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 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 financial statements in accordance with generally 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 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 my 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, 2018, based on

- i. Existing policies and procedures adopted by the company for ensuring orderly and efficient conduct of business.
- ii. Continuous adherence to Company's policies.
- iii. Existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made & Cash and Bank Balances.
- iv. Existing system to prevent and detect fraud & errors.
- v. Accuracy and completeness of Company's accounting records; and
- vi. Existing capacity to prepare timely and reliable financial information.

Place : Chennai
Date : 02/05/2018

(N. Priya)
Chartered Accountant
Membership # 223834

SOUTH ASIA FM LIMITED
Balance Sheet as at 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	193,971,661	153,124,310
Capital Work-in-Progress		20,389,603	4,449,904
Intangible assets	4	1,576,613,998	1,692,747,856
Financial Assets			
Investments in Associate Companies	5	2,564,343,332	2,455,477,219
Investments in Joint Ventures	5	1,197,219,972	1,124,519,707
Loans	6	295,863,203	287,127,858
Other Financial Assets	6	35,127,568	187,286,636
Tax Assets	7	95,773,617	99,597,578
Deferred tax assets (Net)		-	-
Other non current assets	8	378,443,084	350,763,314
		6,357,746,038	6,355,094,382
Current Assets			
Financial Assets			
Loans		-	-
Trade receivables	9	523,081,915	406,830,424
Investment	10	293,829,956	214,241,720
Other Financial Assets	10	52,006,245	51,337,418
Tax Assets		-	-
Cash and Cash Equivalents	11.1	66,727,109	49,266,578
Bank Balances Other than Cash and Cash Equivalents	11.2	415,384,634	328,383,492
Other current assets	8	299,974,550	333,738,958
		1,651,004,409	1,383,798,590
Total Assets		8,008,750,447	7,738,892,972
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	3,818,598,170	3,818,598,170
Other Equity	13		
General Reserve		-	-
Other Reserves		3,690,754,858	3,329,922,592
Equity attributable to the equity holders of the parent		7,509,353,028	7,148,520,762
Non-controlling interests		-	-
Total Equity		7,509,353,028	7,148,520,762
Non-Current Liabilities			
Financial Liabilities			
Other financial liabilities	14	20,000	120,021,000
Provisions	18	16,983,631	7,696,559
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities		-	-
		17,003,631	127,717,559
Current Liabilities			
Financial Liabilities			
Trade Payables	15	389,209,496	307,208,900
Other current financial liabilities	16	17,836,386	132,907,660
Tax liability	7	25,307,480	-
Other Current Liabilities	17	46,908,527	18,027,359
Provisions	18	3,131,899	4,510,732
Total Liabilities		482,393,788	462,654,651
TOTAL EQUITY AND LIABILITIES		8,008,750,447	7,738,892,972

Significant Accounting Policies

2

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

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

SOUTH ASIA FM LIMITED

Statement Of Profit And Loss for the year ended 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

	Note No.	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Income			
Revenue from Operations	19	1,309,407,044	1,089,808,825
Other Income	20	14,546,077	25,504,866
Finance Income	21	250,548,326	300,057,506
Total Income		1,574,501,447	1,415,371,197
Expenses			
Costs of revenues	22	303,799,932	262,087,193
Employees' benefits expense	23	342,589,629	253,174,576
Other expenses	24	220,830,069	209,059,028
Advertisement and marketing expenses	25	57,052,985	44,659,874
Depreciation and amortization expense	26	173,112,314	148,327,018
Finance costs	27	8,312,571	6,497,896
Total Expense		1,105,697,500	923,805,585
Profit(Loss) Before Tax		468,803,947	491,565,612
Current Year		103,102,274	-
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		103,102,274	-
Profit for the year		365,701,673	491,565,612
Other Comprehensive Income:			
(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Others (Specify nature)		-	-
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
(ii) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains and (losses) on defined benefit obligations (net)	28	4,869,407	5,480,204
Income tax effect		-	-
Others (Specify nature)		4,869,407	5,480,204
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		4,869,407	5,480,204
Other comprehensive income/(loss) for the year, net of tax (i+ii)		4,869,407	5,480,204
Total comprehensive income for the year		360,832,266	486,085,408
Earnings per Equity Share of INR 10 each			
Basic profit from operations attributable to equity holders of the parent	29	0.96	1.29
Diluted profit from operations attributable to equity holders of the parent		0.90	1.21

Significant Accounting Policies

2

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

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

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SOUTH ASIA FM LIMITED

Cash Flow Statement for the year ended 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

		Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Cash flow from operating activities			
Net profit before tax and extraordinary items		468,803,947	491,565,612
Adjustments to reconcile:			
IND AS adjustments		(12,314,954)	(16,718,887)
Depreciation on tangible assets/investment property		46,820,820	25,723,356
Amortisation of intangible assets		126,291,493	122,603,663
Impairment of intangible assets			
(Profit)/Loss on sale of fixed assets/investment property, net		(193,300)	(5,102,630)
Translation loss / (gain) on monetary assets and liabilities			
Provision for doubtful debts/Movie advances and other Assets		18,943,448	9,910,778
Provision for litigations and claims			
Bad debts written off		317,565	326,314
Liabilities / provisions no longer required written back		(2,064,540)	(2,124,421)
Interest income		(250,548,326)	(300,057,506)
Dividend income		(4,642,689)	(6,101,627)
Interest expense		8,312,571	6,497,896
Operating profit before working capital changes		399,726,035	326,522,548
Movements in working capital :			
(Increase) / Decrease in trade receivables		(135,512,504)	(70,361,396)
(Increase) / Decrease in inventories			-
(Increase) / Decrease in other current assets/ other financial assets		148,839,534	(538,917,510)
(Increase) / Decrease in loans and advances		3,823,962	(32,554,221)
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		(96,818,492)	309,712,266
Increase / (Decrease) in provisions		7,908,239	6,187,072
Cash generated from operations		327,966,774	588,759
Direct taxes paid (net of refunds)		103,102,274	-
Net cash flow from/ (used in) operating activities (A)	A	224,864,500	588,759
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances) development		(104,030,369)	(97,847,790)
(including advances towards purchase of intangible assets)		(10,157,634)	(1,680,116,982)
Purchase of current investments		(253,709,068)	(253,214,461)
Sale of investments		-	226,219,907
Proceeds from sale of assets		615,800	313,792
Term deposits placed with banks during the year			
Term deposits refunded from banks during the year			
Interest received		250,548,326	300,057,506
Dividends received		4,642,689	6,101,627
Net cash from/ (used in) investing activities (B)	B	(112,090,256)	(1,498,486,401)
Cash flow from financing activities			
Proceeds from issue of Equity Shares			
Proceeds from Long Term Borrowings			
Repayment of long term borrowings			
Repayment of Short term borrowings (net)			
Payment of dividend and tax thereon			
Interest paid		(8,312,571)	(6,497,896)
Net cash (used in)/ from financing activities (C)	C	(8,312,571)	(6,497,896)
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(A+B+C+D)	104,461,673	(1,504,395,538)
Opening balance of cash and cash equivalents	E	377,650,070	1,882,045,608
Closing balance of cash and cash equivalents	F	482,111,743	377,650,070
Net increase / (decrease) in cash and cash equivalents	(F-E)	104,461,673	(1,504,395,538)
Earmarked Balances with Banks (*)	G		
Closing cash and Bank Balance	(F+G)	104,461,673	(1,504,395,538)

(*) These balances are not available for use by the Group as they represent unpaid dividend liabilities and deposits held as security.

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

1. CORPORATE INFORMATION

South Asia FM Limited ('the Company') is engaged in producing and broadcasting radio software programming in Indian regional languages. The Company operates all the 28 FM stations for which the license has been procured.

The Company has 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, the Company has taken up a 48.9% beneficial interest in the Red FM Radio Companies by acquiring the equity of their holding companies at par. The promoters of Red FM continue to hold 51.1% in Red FM. As part of this strategic tie-up, (a) the promoters of Red FM have through their investment Company A H Multisoft Private Limited and (b) Astro Plc through its investment Company, South Asia Multimedia Technologies Limited, subscribed to 40% of the equity of the Company.

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

Name of the Company	Effective holding Of the Company
Deccan Digital Networks (Hyderabad) Private Limited	28.99%
Metro Digital Networks (Hyderabad) Private Limited	28.99%
AV Digital Networks (Hyderabad) Private Limited	28.99%
Pioneer Radio Training Services Private Limited	48.89%
Optimum Media Services Private Limited	48.89%
Asia Radio Broadcast Private Limited	48.89%
Digital Radio (Delhi) Broadcasting Limited	48.89%
Digital Radio (Mumbai) Broadcasting Limited	48.89%
Digital Radio (Kolkata) Broadcasting Limited	48.89%
South Asia Multimedia Limited	48.89%

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

These statements have been prepared under historical cost convention on accrual basis except for certain financial instruments which are measured at fair values and comply with the Ind AS referred to in Section 133 of the Companies Act, 2013.

The company has adopted the Ind AS Standards and the adoption was carried out in accordance with Ind As 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2. Use Of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumption in these financial statements.

3. Property,Plant and Equipment

➤ *Tangible Assets*

- Tangible Fixed Assets are stated at cost less accumulated depreciation.
 - Depreciation on tangible Fixed Assets other than leasehold improvements is provided on written down value method at the rates and in the manner specified in Schedule II to the Act. Tangible Assets individually costing less than Rs.5,000 are depreciated @ 100% in the year of purchase.
 - Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.
 - BECIL infrastructure assets included in Tangible Fixed Assets (**Note 3**) represents aggregate value of the company's share of the cost of the assets, jointly owned, along with other license holders, at various stations. These

assets are jointly controlled assets and the company's share of cost of these assets has been determined corresponding to the number of license holders in each station.

➤ *Intangible Assets*

- One Time Entry Fees (OTEF) paid by the company for acquiring new licenses is capitalized as an asset, in respect of the stations that have become operational.

OTEF is amortized over a period of fifteen years, being the period of license, the fifteen-year period starting (i) from the date of operationalization of the station or (ii) after the expiry of one year from the date of signing the agreement, whichever is earlier.

- On Air License cost is capitalized as an asset and is amortized over a period of five years from the month in which the license is operative.
- Costs incurred towards the purchase of computer software are depreciated using straight line method over a period of three years.

4. Impairment

- The carrying amounts of assets are reviewed at each balance sheet date; if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset.

5. Employee Benefit Plans

- Employee benefit plans comprise both defined benefit and defined contribution plans.
- The company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ('LIC') based upon actuarial valuation.

- Provident fund is a defined contribution plan. Each eligible employee and the company make equal contributions at a percentage of the basic salary specified under the Employee's Provident Fund's and Miscellaneous Provisions Act, 1952. The company has no further obligations under the plan beyond its periodic contributions.

6. Current Taxation

- Provision for income tax is determined at the current tax rates based on assessable income or on the basis of Section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax) whichever is higher.

7. Deferred Taxation

- Deferred tax is recognized, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more periods.

8. Investments

- Investments are valued at Fair value through Profit or Loss. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary.

9. Financial Instruments

- *Initial Recognition*

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

- *Subsequent Measurement*

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through profit or loss

A financial asset is subsequently measured at fair value through profit or loss if it is held within the business model for trading if they are acquired for the purpose of selling in the near term.

Financial Liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

10. Revenue Recognition

- Revenue from Radio broadcasting is recognized on accrual basis on the airing of client's commercials.
- All expenses, not related / attributable to the acquisition of Fixed Assets, and incurred during the year are recognized as expense during the year.

11. License Fees

- As per the new frequency module (FM) broadcasting policy, effective April 1, 2005, license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fees (ROTEF) for the concerned city, whichever is higher.

12. Foreign Currency Transactions

- Realized gains and losses on foreign exchange transactions are recognized in the Profit & Loss account. Current Assets and current liabilities denominated in foreign currency outstanding at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Financial Statements. Exchange Gain / Loss in respect of liabilities incurred for the acquisition of Fixed Assets are recognized in the Profit & Loss account.

13. Preliminary Expenditure

- Preliminary expenses are written off over a period of five years commencing from the year in which the company commenced operations.

14. Provisions and contingent Liabilities

- A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date.
- These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

15. Segment Reporting

- The company's operations are relating to FM Radio broadcasting and this is the only primary reportable segment.

SOUTH ASIA FM LIMITED

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Number Of Shares	Amount
At 31 March 2017	381,859,817	3,818,598,170
Issue of share capital	-	-
At 31 March 2018	381,859,817	3,818,598,170

b. Other equity

For the year ended 31 March 2018

Particulars	Attributable to Equity holders of the parent				Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	Items of OCI FVTOCI reserve			
As at 1st April 2017	(314,604,034)	1,315,000,000	-	(5,480,204)	994,915,762	-	994,915,762
Profit for the period	365,701,673	-	-	-	365,701,673	-	365,701,673
Other comprehensive income	-	-	-	(4,869,407)	(4,869,407)	-	(4,869,407)
Total Comprehensive Income	51,097,639	1,315,000,000	-	(10,349,611)	1,355,748,028	-	1,355,748,028
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
As at 31st March 2018	51,097,639	1,315,000,000	-	(10,349,611)	1,355,748,028	-	1,355,748,028

For the year ended 31 March 2017

Particulars	Attributable to Equity holders of the parent				Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	Items of OCI FVTOCI reserve			
As at 1st April 2016	(806,169,648)	1,315,000,000	-	-	508,830,352	-	508,830,352
Profit for the period	491,565,612	-	-	-	491,565,612	-	491,565,612
Other comprehensive income	(5,480,204)	-	-	-	(5,480,204)	-	(5,480,204)
Total Comprehensive Income	(320,084,240)	1,315,000,000	-	-	994,915,760	-	994,915,760
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
As at 31st March 2017	(320,084,240)	1,315,000,000	-	-	994,915,760	-	994,915,760

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 3 - Property Plant & Equipment

	Plant & Machinery	Office Equipments	Furniture & Fitting	Leasehold Improvements	Motor Vehicles	Total
Gross Block						
At March 31, 2016	81,001,773	13,100,991	1,052,427	4,855,902	7,614,307	107,625,400
Additions	82,222,320	6,061,703	722,173	4,391,688	-	93,397,884
Disposals	(2,423,601)	(2,055,921)	(48,400)	-	-	(4,527,922)
At March 31, 2017	160,800,492	17,106,773	1,726,200	9,247,590	7,614,307	196,495,362
Additions	41,717,560	12,523,698	1,604,265	30,169,947	2,075,201	88,090,671
Disposals	(1,778,674)	(745,013)	(155,250)	-	-	(2,678,937)
At March 31, 2018	200,739,378	28,885,458	3,175,215	39,417,537	9,689,508	281,907,096

Depreciation						
At March 31, 2016	15,422,427	2,434,437	202,884	1,791,420	1,661,472	21,512,640
Charge for the year	19,163,702	2,710,535	312,103	1,947,737	1,589,279	25,723,356
Disposals	(2,266,912)	(1,554,489)	(43,543)	-	-	(3,864,944)
At March 31, 2017	32,319,217	3,590,483	471,444	3,739,157	3,250,751	43,371,052
Charge for the year	32,278,762	4,214,129	622,169	8,546,479	1,159,281	46,820,820
Disposals	(1,517,951)	(592,313)	(146,173)	-	-	(2,256,437)
At March 31, 2018	63,080,028	7,212,299	947,440	12,285,636	4,410,032	87,935,435

Net Block

At March 31, 2017	128,481,275	13,516,290	1,254,756	5,508,433	4,363,556	153,124,310
At March 31, 2018	137,659,350	21,673,159	2,227,775	27,131,901	5,279,476	193,971,661

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 4 - Intangible Assets

	Computer Software	Licenses	Total
Gross Block			
At March 31, 2016	-	214,729,059	214,729,059
Additions	900,250	1,679,216,734	1,680,116,984
Disposals			-
At March 31, 2017	900,250	1,893,945,793	1,894,846,043
Additions	-	10,157,635	10,157,635
Disposals			-
At March 31, 2018	900,250	1,904,103,428	1,905,003,678

Amortization			
At March 31, 2016	-	79,494,524	79,494,524
Charge for the year	61,729	122,541,934	122,603,663
Disposals			-
At March 31, 2017	61,729	202,036,458	202,098,187
Charge for the year	300,083	125,991,410	126,291,493
Disposals			-
At March 31, 2018	361,812	328,027,868	328,389,680

Net Block

At March 31, 2017	838,521	1,691,909,335	1,692,747,856
At March 31, 2018	538,438	1,576,075,560	1,576,613,998

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 5. Financial assets (Non Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Investments in Associate Companies (Unquoted)		
Investments in Equity Instruments at Cost		
Metro Digital Networks (Hyd) P Ltd	644,680,486	644,680,486
Deccan Digital Networks (Hyd) P Ltd	535,737,867	535,737,867
A.V.Digital Networks (Hyd) P Ltd	266,126,465	266,126,465
Pioneer Radio Training Services P Ltd	28,595,000	28,595,000
Asia Radio Broadcast P Ltd	28,595,000	28,595,000
Investments in Debt Instruments at Amortised Cost		
Metro Digital Networks (Hyd) P Ltd	398,070,573	355,864,410
Deccan Digital Networks (Hyd) P Ltd	492,903,149	440,092,097
A.V.Digital Networks (Hyd) P Ltd	169,634,792	155,785,894
Total	2,564,343,332	2,455,477,219

Investments in Joint Ventures - (Unquoted)		
Investments in Equity Instruments at Cost		
Optimum Media Services P Ltd	518,684,160	518,684,160
Investments in Debt Instruments at Amortised Cost		
Optimum Media Services P Ltd	678,535,812	605,835,547
Total	1,197,219,972	1,124,519,707

Aggregate value of unquoted investments	3,761,563,304	3,579,996,926
Aggregate amount of impairment in value of investments	-	-

Note 6. Financial assets (Non-Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Loans (Secured considered good unless otherwise stated)		
Loans to Associates - Considered good	295,863,203	287,127,858
Total	295,863,203	287,127,858

Other Financial Assets at Amortised Cost		
Rental and other deposits	14,146,045	15,168,326
Deposits with Government agencies	15,300,172	12,372,727
Bank Balances other than Cash and Cash Equivalents	5,681,351	159,745,583
Total	35,127,568	187,286,636

SOUTH ASIA FM LIMITED**Notes to Standalone Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

	As at 31-Mar-2018	As at 31-Mar-2017
Non-Current Tax Assets		
Advance income tax (net of provision)	95,773,617	99,597,578
Total	95,773,617	99,597,578

	As at 31-Mar-2018	As at 31-Mar-2017
Current Tax Liabilities		
Provision for Taxation (net of advance tax)	25,307,480	-
Total	25,307,480	-

Note 8 Other Current and Non-Current Assets**Other Non-Current Assets**

	As at 31-Mar-2018	As at 31-Mar-2017
Unsecured and considered good		
Capital advances	328,141,306	296,402,417
Prepaid expenses	49,251,231	41,985,938
Others	1,050,547	12,374,959
Total	378,443,084	350,763,314

Other Current Assets

	As at 31-Mar-2018	As at 31-Mar-2017
Prepaid expenses	65,855,329	54,115,193
Balances with statutory/ government authorities	220,071,323	279,623,765
Others	14,047,898	-
Total	299,974,550	333,738,958

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 9 Trade Receivables

Trade and other receivables (current)

	As at 31-Mar-2018	As at 31-Mar-2017
Trade receivables	523,081,915	406,830,424
Total	523,081,915	406,830,424

Break-up for security details and more than 6 months overdue:

	As at 31-Mar-2018	As at 31-Mar-2017
Outstanding for a period exceeding six months from the date they are due for payment		
Trade receivables		
Secured, considered good	103,883,148	113,470,681
Unsecured, considered good		
Doubtful	31,099,762	12,791,167
	134,982,910	126,261,848
Provision for doubtful receivables	(31,099,762)	(12,791,167)
	103,883,148	113,470,681
Other receivables		
Secured, considered good	419,198,767	293,359,743
Unsecured, considered good	-	-
Doubtful	-	-
	419,198,767	293,359,743
Provision for doubtful receivables	-	-
	419,198,767	293,359,743
Total Trade receivables	523,081,915	406,830,424

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

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 10 Financial assets (Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Investments in Debt Instruments at fair value through profit or loss (FVTPL):		
HDFC Floating Rate Income Fund 6045202.439 Units (Previous Year 5777948.562 Units)	60,941,081	58,246,921
HDFC Liquid Fund Dividend Plan Growth Option 15,526.117 Units (Previous year Nil Units)	53,159,552	-
IDFC Money Manager Fund Investment Plan Weekly Dividend 603889.150Units (Previous Year 583749.296 Units)	6,175,672	5,966,619
IDFC Money Manager Fund investment Plan Daily Dividend 5133311.743 Units (Previous Year 4962219.597 Units)	52,313,066	50,543,184
ICICI Prudential Short Term Regular Plan - Growth Option 403600.919 Units (Previous Year 403600.919 Units)	14,608,376	13,771,711
ICICI Prudential Savings Fund Direct Plan Growth 39670.770 Units (Previous Year 39670.770 Units)	10,717,927	9,988,473
TATA Ultra Short Term Fund Regular Plan 11772.765 Units (Previous Year 11772.765 Units)	31,008,711	29,021,322
Tata Bond Fund Regular Plan Growth 206969.919 Units (Previous Year 206969.919 Units)	6,682,955	6,326,739
DHFL Pramerica banking PSU Debt Fund - Direct Plan - Growth 1396326.266 Units (Previous Year 1396326.266 Units)	21,435,842	20,102,071
DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth 1724439.276 Units (Previous Year 1019217.343 Units)	36,786,774	20,274,680
Total	293,829,956	214,241,720

Aggregate book value of quoted investments	275,145,726	196,981,098
Aggregate market value of quoted investments	293,829,956	214,241,720
Aggregate amount of impairment in value of investments	-	-

Other Financial Assets at Amortised Cost

	As at 31-Mar-2018	As at 31-Mar-2017
Interest accrued fixed deposits	3,046,182	2,373,108
Other receivables (from Related Parties)	21,600	25,847
Interest Receivable	48,938,463	48,938,463
Total	52,006,245	51,337,418

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 11.1 Cash and Cash Equivalents**

	As at 31-Mar-2018	As at 31-Mar-2017
Balances with banks:		
- On current accounts	66,633,482	49,153,394
Cash on hand	93,627	113,184
Total	66,727,109	49,266,578

Note 11.2 Bank Balances other than Cash and Cash Equivalents

	As at 31-Mar-2018	As at 31-Mar-2017
Bank Balances Other than Cash and Cash Equivalent		
Deposits with original maturity for more than 3 months but less than 12 months	415,384,634	328,383,492
Total	415,384,634	328,383,492

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note - 12. Equity Share Capital

	As at 31-Mar-2018	As at 31-Mar-2017
Authorised Capital 401,000,000 Equity Shares of INR 10 each fully paid up (31-Mar-2017: 401,000,000 Equity Shares of INR 10 each fully paid up)	4,010,000,000	4,010,000,000
Issued, Subscribed and Paid-up Capital 381,859,817 Equity Shares of INR 10 each fully paid up (31-Mar-2017: 381,859,817 Equity Shares of INR 10 each fully paid up))	3,818,598,170	3,818,598,170
	3,818,598,170	3,818,598,170

(i) Reconciliation of the number of shares outstanding:

At the beginning of the year	381,859,817	381,859,817
Issued during the year	-	-
Outstanding at the end of the year	381,859,817	381,859,817

(ii) Term/Rights attached to Equity Shares

The Company has one class of equity shares having a face value of INR 10 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, 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL /- share (March 31, 2017: Rs. NIL/-)

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 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Name of the shareholders				
Sun TV Network Limited	226,992,000	59.44%	226,992,000	59.44%
AH Multisoft Private Limited	76,371,962	20.00%	76,371,962	20.00%
South Asia Multimedia Technologies Limited, Mauritius	76,371,963	20.00%	76,371,963	20.00%

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 13 Other Equity**

	As at 31-Mar-2018	As at 31-Mar-2017
Compulsorily Convertible Non - Cumulative Preference Shares classified as Equity	2,335,006,830	2,335,006,830
Share Premium	1,315,000,000	1,315,000,000
Retained earnings	40,748,028	(320,084,238)
Total	3,690,754,858	3,329,922,592

Note 14 Other Financial Liabilities (Non-Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Other financial liabilities at amortised cost		
Loan from City Union Bank Ltd	-	120,001,000
Rental deposit	20,000	20,000
Total	20,000	120,021,000

Note 15 Trade Payables

	As at 31-Mar-2018	As at 31-Mar-2017
Trade Payables	389,209,496	307,208,900
Total	389,209,496	307,208,900

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

Note 16 Other Financial Liabilities (Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Other financial liabilities at amortised cost		
Current maturities of long term debt	-	120,000,000
Payable to employees	10,000,000	8,300,000
Outstanding liabilities	7,143,054	1,978,936
Rent payable	693,332	475,581
Interest Payable	-	2,153,143
Total	17,836,386	132,907,660

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 17 Other Current Liabilities**

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Dues	33,681,232	7,691,983
Advances from customers	5,834,332	7,641,534
Other Liabilities	7,392,963	2,693,842
Total	46,908,527	18,027,359

Note 18. Provisions

	As at 31-Mar-2018	As at 31-Mar-2017
Short-term provisions		
Provision for leave encashment	3,131,899	4,510,732
Total	3,131,899	4,510,732

	As at 31-Mar-2018	As at 31-Mar-2017
Long-term provisions		
Provision for gratuity	8,094,437	3,446,370
Provision for leave encashment	8,889,194	4,250,189
Total	16,983,631	7,696,559

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 19 Revenue from Services

	March 31, 2018	March 31, 2017
Revenues from services		
Advertising income	1,309,407,044	1,089,808,825
Total	1,309,407,044	1,089,808,825

Note 20. Other Income

	March 31, 2018	March 31, 2017
Dividend income on current investments	4,642,689	6,101,627
Net gain on sale of current investments	-	5,451,815
Fair Value Gain on Financial Instruments at FVTPL(net)	7,445,547	11,238,683
Liabilities / provisions not required written back	2,064,540	2,124,421
Profit on Sale of Assets	193,300	-
Miscellaneous Income	200,001	588,320
Total	14,546,077	25,504,866

Note 21. Finance Income

	March 31, 2018	March 31, 2017
Interest income		
- on bank deposits	27,024,291	100,964,747
- on loans to associates	218,793,261	199,092,759
- on others	4,730,774	-
Total	250,548,326	300,057,506

Note 22. Cost of Revenues

	March 31, 2018	March 31, 2017
Program production expenses	141,320,398	111,647,525
Licenses	162,295,287	150,307,469
Others	184,247	132,199
Total	303,799,932	262,087,193

Note 23. Employee Benefit Expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	309,063,757	228,137,788
Gratuity expense	6,946,198	4,528,031
Leave Encashment	3,260,172	2,740,702
Contributions to provident fund and other funds	20,728,875	16,116,168
Staff welfare expense	2,590,627	1,651,887
Total	342,589,629	253,174,576

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 24. Other Expense

	March 31, 2018	March 31, 2017
Legal and professional fees (Refer details below for payments made to auditors)	37,340,531	63,251,721
Travel and conveyance	8,722,320	8,145,005
Rent	39,186,766	29,840,652
Electricity expense	47,123,378	41,373,840
Power and fuel	6,867,870	6,514,594
Repairs and maintenance		
- Building	124,100	-
- Plant and machinery	5,334,135	6,442,951
- Others	5,829,145	8,989,714
Communication	10,901,558	9,172,296
Expenditure on Corporate Social Responsibility	7,492,540	3,962,500
Utilities	19,569,032	15,201,897
Insurance	1,184,954	1,022,908
Bad debts written off	317,565	326,314
Provision for doubtful debts	18,943,448	9,910,778
Loss on sale of assets (net) / assets scrapped	-	349,185
Rates and taxes	9,641,943	3,394,986
Miscellaneous expenses	2,250,784	1,159,687
Total	220,830,069	209,059,028

Payment to auditor

	March 31, 2018	March 31, 2017
As auditor:		
Audit fee	100,000	100,000
	-	-
In other capacity:		
Other services (certification fees)	230,000	-
Total	330,000	100,000

Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Company during the year 7,481,620

Amount Spent during the year on :

	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	7,492,540	-	7,492,540
	7,492,540		7,492,540
Contribution made to Related Parties:	7,400,000	-	7,400,000

Note 25. Advertisement & marketing expense

	March 31, 2018	March 31, 2017
Advertisement and marketing expenses	57,052,985	44,659,874
Total	57,052,985	44,659,874

Note 26. Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (Note 3)	46,820,820	25,723,355
Amortization of intangible assets (Note 4)	126,291,494	122,603,663
Total	173,112,314	148,327,018

Note 27. Finance Costs

	March 31, 2018	March 31, 2017
Interest		
- on loans against deposits	-	-
- others	8,064,623	6,027,877
Bank charges	247,948	470,019
Total	8,312,571	6,497,896

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 28. Components of Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	4,869,407	4,869,407
Others (if any)	-	-	-
	-	4,869,407	4,869,407

During the year ended 31 March 2017

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	5,480,204	5,480,204
Others (if any)	-	-	-
	-	5,480,204	5,480,204

Note 29. Earnings Per Share

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, 2018	March 31, 2017
Profit after tax (Rs. in crores)	365,701,673	491,565,612
Weighted average number of shares		
- Basic	381,859,817	381,859,817
- Diluted	405,209,885	405,209,885
Earning per share of Rs.10/- each		
- Basic	0.96	1.29
- Diluted	0.90	1.21

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 30. Employee benefit plans - Gratuity

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

	Year ended March 31, 2018	Year ended March 31, 2017
During the year, the company has recognised the following amounts in the Profit and Loss account, which are included in Employee Benefit Expense in Note 23		
Contribution to Provident Fund	20,057,543	15,668,101

Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recognized in profit or loss:		
Current service cost	5,608,254	4,849,728
Interest cost on benefit obligation	38,219	(321,697)
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	73,214	3,672,627
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	1,453,475	3,191,944
Experience adjustments	2,939,716	(1,336,674)
Return on Plan Assets (Greater) / Less than Discount rate	403,002	(47,693)
Recognized in other comprehensive income	4,869,407	5,480,204
Net benefit expense	10,515,880	10,008,235

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	29,558,247	19,814,702
Fair value of plan assets	21,463,810	16,368,332
Plan Liability / (Asset)	8,094,437	3,446,370

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	19,814,702	11,719,865
Current service cost	5,608,254	4,849,728
Interest cost	1,412,752	813,729
Actuarial (gains) / losses on obligation	4,466,405	5,527,897
Benefits paid	(1,743,865)	(3,096,517)
Closing defined benefit obligation	29,558,248	19,814,702

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of planned assets at the beginning of the year	16,368,332	13,200,426
Expected return on plan assets	1,374,532	1,135,426
Contributions	5,867,813	5,081,304
Benefits paid	(1,743,865)	(3,096,517)
Actuarial gain / (loss) on plan assets	(403,002)	47,693
Fair value of plan assets at the end of the year	21,463,810	16,368,332

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.46%	6.72%
Expected rate of return on assets	7.46%	6.72%
Employee turnover	15.58%	16%

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. Based on the experience of the previous years, the Company expects to contribute Rs.52,00,000 to the gratuity fund in the next year. However, the actual contribution by the Company will be based in the actuarial valuation report received from the insurance company.

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investments details	Gratuity plan	
	March 31, 2018	March 31, 2017
Funds with LIC	21,463,810	16,368,332
Total	21,463,810	16,368,332

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity plan:

Assumptions	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1,629,162)	1,295,114	(1,846,616)	(5,371,636)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable. The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	3,644,461	2,893,840
Between 2 and 5 years	10,281,854	7,675,557
Between 5 and 10 years	6,619,993	4,616,664
Total expected payments	20,546,308	15,186,061

Note 31. Commitments and Contingencies

a. Leases

Operating lease commitments – Group as lessee

The company has leased premises under the operating leases.

The Company has paid INR Rs. 3,68,47,819 /- (31 march 2017: INR 278,00,894) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are NIL.

	March 31, 2018	March 31, 2017
b) Contingent Liabilities		
a) Others :		
Guarantee Issued by bank on behalf of company	136,260,083	159,745,583
Claims against the company not acknowledged as debt	1,008,242	1,008,242

South Asia FM Limited

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 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

Sun Direct TV Pvt Limited

Holding Company

Sun Tv Network Limited

Joint Venture

Optimum Media Services P Ltd

Associates

Metro Digital Networks (Hyd) P Ltd

Deccan Digital Networks (Hyd) P Ltd

A.V.Digital Networks (Hyd) P Ltd

Pioneer Radio Training Services P Ltd

Asia Radio Broadcast P Ltd

Optimum Media Services P Ltd

Digital Radio (Delhi) Broadcasting Limited

Digital Radio (Mumbai) Broadcasting Limited

Digital Radio (Kolkata) Broadcasting Limited

South Asia Multimedia Limited

Key Management personnel

Mr. K.Shanmugam - Managing Director

South Asia FM Limited

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Joint Ventures/ associates		Key managerial personnel / Relatives of Key managerial personnel	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Rental Income								
Sun Direct TV Pvt Ltd	-	-	200,000	276,025	-	-	-	-
Other Income								
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	34,455,343	32,519,413	-	-
Rent Expense								
Sun Tv Network Limited	1,305,024	1,247,537						
Advertisement expenses								
Sun Tv Network Limited			-	-	-	-	-	-
Business Support Services								
Sun Tv Network Limited	1,355,828	1,336,746						

South Asia FM Limited

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiaries / Joint Venture	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances Outstanding:						
Other Receivables						
Sun Direct TV Pvt Limited	-	-	21,600	15,750		
Investments						
Metro Digital Networks (Hyd) P Ltd					1,042,751,059	1,000,544,897
Deccan Digital Networks (Hyd) P Ltd					1,028,641,016	975,829,964
A.V.Digital Networks (Hyd) P Ltd					435,761,257	421,912,360
Pioneer Radio Training Services P Ltd					28,595,000	28,595,000
Asia Radio Broadcast P Ltd					28,595,000	28,595,000
Optimum Media Services P Ltd					1,197,219,972	1,124,519,707
Loans & Advances						
A.V.Digital Networks (Hyd) P Ltd	295,863,203	287,127,858				
Rental and other deposits						
Sun Direct TV Pvt Limited	-		20,000	20,000		
Accounts Payable / Other Current Liabilities						
Sun Tv Network Limited	254,683	331,020				

Note 33.1. 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:

	Carrying Value		Fair Value	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Financial Assets (Non Current & Current)				
Investments in Mutual Funds	293,829,956	214,241,720	293,829,956	214,241,720
Investments in Associate companies	2,564,343,332	2,455,477,219	2,564,343,332	2,455,477,219
Investments in joint ventures	1,197,219,972	1,124,519,707	1,197,219,972	1,124,519,707
	4,055,393,260	3,794,238,645	4,055,393,260	3,794,238,645

Note 33.2. 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 31 March 2018:

	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)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31/Mar/18	293,829,956	293,829,956	-	-
Investments in Associate companies	31/Mar/18	2,564,343,332	-	2,564,343,332	-
Investments in joint ventures	31/Mar/18	1,197,219,972	-	1,197,219,972	-
Assets for which fair values are disclosed:					
Investment Properties	31/Mar/18	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	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)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31/Mar/17	214,241,720	214,241,720	-	-
Investments in Associate companies	31/Mar/17	2,455,477,219	-	2,455,477,219	-
Investments in joint ventures	31/Mar/17	1,124,519,707	-	1,124,519,707	-
Assets for which fair values are disclosed:					
Investment Properties	31/Mar/17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

There have been no transfers between Level 1 and Level 2 during the period.

Note 34. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. 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 is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

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 three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, etc. Financial instrument affected by market risk include deposits etc.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, sale of current investments, etc

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Other financial liabilities	-	17,836,386	-	20,000	-	17,856,386
Trade and other payables	-	436,118,022	-	-	-	436,118,022
	-	453,954,408	-	20,000	-	453,974,408
Year ended 31-Mar-17						
Other financial liabilities	-	132,907,660	-	120,021,000	-	252,928,660
Trade and other payables	-	325,236,259	-	-	-	325,236,259
	-	458,143,919	-	120,021,000	-	578,164,919

Note 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share 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 the company and ROE. The company's policy is to keep ROE between 2% to 5%. The company has achieved the same over the past two years.

Return on Equity	31-Mar-18	31-Mar-17
Profit Before Taxes	468,803,947	491,565,612
Less: Finance Income	-250,548,326	-300,057,506
Add: Finance cost	8,312,571	6,497,896
Earnings before Net interest and Tax	226,568,192	198,006,002
Equity Share Capital	3,818,598,170	3,818,598,170
Other Equity	3,690,754,858	3,329,922,592
Capital Employed	7,509,353,028	7,148,520,762
ROCE	3.02	2.77

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 36. CIF Value of Imports**

	Year ended March 31, 2018	Year ended March 31, 2017
Capital Goods	36,390,161	24,340,633

Note 37. Expenditure in Foreign Currency

	Year ended March 31, 2018	Year ended March 31, 2017
Production Expenses	41,472	77,875
Travelling Expenses	23,515	27,430

Note 38. Provisional Attachment Order from Enforcement Directorate

During the FY 2015-16, the Company received an order from Enforcement Directorate, Ministry of Finance, Government of India, provisionally attaching fixed deposits with banks and mutual fund investments aggregating to Rs. 21.34 Crores of the Company, under the Prevention of Money Laundering Act, 2002 in connection with an investigation not involving the Company. During the current year, the Hon'ble Special Court hearing the related proceedings passed an order as a result of which the provisional attachment stands released. While the appeal process in this matter is pending, the Company continues to be in possession of these assets. Based on the legal opinion received, the management is confident that the appeal filed against the said Provisional Attachment Order by the Enforcement Directorate is not tenable against the Company. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard.

Note 39. Note on FM Radio Licences

The company operationalized all the five new frequencies which it obtained in the batch I of phase III

The Company was successful bidder in 7 new frequencies in Batch 2 of Phase III for which the requisite One Time Entry Fee has already been paid in FY 2016-17 and we are awaiting signing the GOPA with MIB.

Note 40 : Prior year comparatives

Previous year figures have been regrouped/reclassified, wherever necessary, to conform to this year's classification.

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of M/s. South Asia FM Limited

Report on the Consolidated Ind AS Financial Statements

I have audited the accompanying Consolidated Ind AS financial statements of **M/s. South Asia FM Limited** (hereinafter referred to as "the Company"), its associates and Joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2018, 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 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 Consolidated Ind AS financial statements 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 Company, its associates and joint venture, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (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. The respective Board of Directors of the Companies included in the Company, its associates and joint venture are responsible for maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, its associates and joint venture 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 company, as aforesaid.

Auditor's Responsibility

My responsibility is to express an opinion on these Consolidated Ind AS financial statements based on my audit. While conducting the audit, I 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 there under.

I conducted the 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 I 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 the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

I believe that the audit evidence I have obtained, 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 my audit opinion on the Consolidated Ind AS financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, and based on the consideration of report of other auditors on separate financial statements and on the other financial information of the associates and joint venture, 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 Company, its associates and joint venture as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated Cash Flow and consolidated 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 auditors on separate financial statements and the other financial information of its associates and joint venture, as noted in the 'other matter' paragraph, I report, to the extent applicable, that:

- a. I/the other auditors whose reports I have relied upon have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit of the aforesaid Consolidated Ind AS financial statements;
- b. In my opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been 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 the 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 my 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 the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company, and on

the basis of reports of the statutory auditors who are appointed under section 139 of the Act, of its associates and joint venture incorporated in India, , none of the directors of the Company, its associates and joint venture incorporated in India is disqualified as on March 31, 2018 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 Company, its associates and joint venture incorporated in India, refer to my separate Report in “**Annexure A**” 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 my opinion and to the best of my information and according to the explanations given to me and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of its associates and joint venture as noted in ‘Other matter ‘ paragraph:

i. The Company, its associates and joint venture does not have any pending litigations which would impact its financial position in its Consolidated Ind AS financial statements.

ii. The Company, its associates and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, its associates and joint venture incorporated in India during the year ended March 31, 2018.

Other Matter

I did not audit the financial statements and other financial information, in respect of the Company’s associates and joint venture, whose Ind AS financial statements, other financial information has been included in the preparation of the aforesaid Consolidated Ind AS financial statement. These financial statements and other financial information have been audited by other auditors and these with auditor’s reports have been furnished to me by the management. My opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and joint venture and my report in terms of sub-sections (3) of Section 143 of the Act, in so as far as it relates the aforesaid associates and joint venture, is based solely on the reports of such other auditors.

My opinion on the Consolidated Ind AS financial statements, and my report on Other Legal and Requirements above, is not modified in respect of above matters with respect to my reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Place : Chennai
Date : 02/05/2018

(N. Priya)
Chartered Accountant
Membership # 223834

“ANNEXURE A” TO THE AUDITORS’ REPORT

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 South Asia FM Limited

In conjunction with my audit of the Consolidated Ind AS financial statements of M/s. **South Asia FM Limited** as of and for the year ended March 31, 2018, I have audited the internal financial controls over financial reporting of M/s. South Asia FM Limited (hereinafter referred to as “the Company”), its associates and joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the company, its associates and joint venture 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 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 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.

Auditors’ Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted the audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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.

I believe that the audit evidence I have obtained, and the audit evidence obtained by the other auditors in terms of report referred to in Other matters paragraph below, are sufficient and appropriate to provide a basis for my audit opinion on the Company's 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 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 my opinion, the Company, its associates and joint venture, 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, 2018, 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.

Other Matters

My 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 company, in so far as it relates to its associates and joint venture, incorporated in India, is based on the corresponding reports of the auditors of such associates and joint venture incorporated in India.

Place : Chennai
Date : 02/05/2018

(N. Priya)
Chartered Accountant
Membership # 223834

SOUTH ASIA FM LIMITED
Consolidated Balance Sheet as at 31 March 2018
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	193,971,661	153,124,311
Capital Work-in-Progress		20,389,603	4,449,904
Intangible assets	4	1,576,613,998	1,692,747,856
Financial Assets			
Investments in Associate Companies	5	2,079,136,309	1,939,583,999
Investments in Joint Ventures	5	1,413,910,849	1,349,975,082
Loans	6	295,848,998	287,113,654
Other Financial Assets	6	35,127,568	187,286,636
Tax Assets	7	95,773,617	99,597,578
Deferred tax assets (Net)		-	-
Other non current assets	8	378,443,083	350,763,314
		6,089,215,686	6,064,642,334
Current Assets			
Financial Assets			
Loans		-	-
Trade receivables	9	523,081,915	406,830,424
Investment	10	293,829,956	214,241,719
Other Financial Assets	10	52,006,245	51,337,418
Tax Assets	7	-	-
Cash and Cash Equivalents	11	66,727,109	49,266,578
Bank Balances Other than Cash and Cash Equivalent	11	415,384,634	328,383,492
Other current assets	8	299,974,550	333,738,958
		1,651,004,409	1,383,798,589
Total Assets		7,740,220,095	7,448,440,923
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	3,818,598,170	3,818,598,170
Other Equity	13	-	-
General Reserve		-	-
Other Reserves		3,422,224,506	3,039,470,543
Equity attributable to the equity holders of the parent		7,240,822,676	6,858,068,713
Non-controlling interests		-	-
Total Equity		7,240,822,676	6,858,068,713
Non-Current Liabilities			
Financial Liabilities			
Other financial liabilities	14	20,000	120,021,000
Provisions	18	16,983,631	7,696,559
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities		-	-
		17,003,631	127,717,559
Current Liabilities			
Financial Liabilities			
Trade Payables	15	389,209,496	307,208,900
Other current financial liabilities	16	17,836,386	132,907,660
Tax liability		25,307,480	-
Other Current Liabilities	17	46,908,527	18,027,359
Provisions	18	3,131,899	4,510,732
Total Liabilities		482,393,788	462,654,651
TOTAL EQUITY AND LIABILITIES		7,740,220,095	7,448,440,923

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

SOUTH ASIA FM LIMITED

Consolidated Statement of Profit And Loss for the year ended 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

	Notes	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Income			
Revenue from Operations	19	1,309,407,044	1,089,808,825
Other Income	20	14,546,077	25,504,866
Finance Income	21	250,548,326	300,057,506
Total Income		1,574,501,447	1,415,371,197
Expenses			
Costs of revenues	22	303,799,932	262,087,193
Employees' benefits expense	23	342,589,630	253,174,576
Other expenses	24	220,830,069	209,059,028
Advertisement and marketing expenses	25	57,052,985	44,659,874
Depreciation and amortization expense	26	173,112,314	148,327,018
Finance costs	27	8,312,571	6,497,896
Total Expense		1,105,697,501	923,805,585
Profit(Loss) Before Tax		468,803,946	491,565,612
Current Year		103,102,274	-
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		103,102,274	-
Profit for the year		365,701,672	491,565,612
Share of Profits from Associates		21,921,699	-13,423,907
		387,623,371	478,141,705
Other Comprehensive Income:			
(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Others (Specify nature)		-	-
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
(ii) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains and (losses) on defined benefit obligations (net)	28	4,869,407	5,480,204
Income tax effect		-	-
Others (Specify nature)		4,869,407	5,480,204
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		4,869,407	5,480,204
Other comprehensive income/(loss) for the year, net of tax (i+ii)		4,869,407	5,480,204
Total comprehensive income for the year, net of tax attributable to:		4,869,407	5,480,204
Profit for the year		382,753,964	472,661,501
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Total comprehensive income for the year		4,869,407	5,480,204
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Earnings per Equity Share of INR 10 each	29		
Basic profit from operations attributable to equity holders of the parent		0.96	1.29
Diluted profit from operations attributable to equity holders of the parent		0.90	1.21

Significant Accounting Policies

2

See accompanying Notes forming part of the Consolidated Financial Statements.

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

SOUTH ASIA FM LIMITED
Consolidated Cash Flow Statement for the year ended 31 March 2018
(All amounts are in Indian Rupees unless otherwise stated)

		Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
Cash flow from operating activities			
Net profit before tax and extraordinary items		468,803,946	491,565,612
Adjustments to reconcile:			
IND AS adjustments		(12,314,954)	(16,718,887)
Depreciation on tangible assets/investment property		46,820,821	25,723,356
Amortisation of intangible assets		126,291,493	122,603,663
Impairment of intangible assets			
(Profit)/Loss on sale of fixed assets/investment property, net		(193,300)	(5,102,630)
Translation loss / (gain) on monetary assets and liabilities			
Provision for doubtful debts/Movie advances and other Assets		18,943,448	9,910,778
Provision for litigations and claims			
Bad debts written off		317,565	326,314
Liabilities / provisions no longer required written back		(2,064,540)	(2,124,421)
Interest income		(250,548,326)	(300,057,506)
Dividend income		(4,642,689)	(6,101,627)
Interest expense		8,312,571	6,497,896
Operating profit before working capital changes		399,726,034	326,522,547
Movements in working capital :			
(Increase) / Decrease in trade receivables		(135,512,504)	(70,361,396)
(Increase) / Decrease in inventories			-
(Increase) / Decrease in other current assets/other financial assets		148,839,536	(538,917,510)
(Increase) / Decrease in loans and advances		3,823,962	(32,554,221)
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		(96,818,491)	309,712,266
Increase / (Decrease) in provisions		7,908,239	6,187,072
Cash generated from operations		327,966,776	588,759
Direct taxes paid (net of refunds)		103,102,274	
Net cash flow from / (used in) operating activities (A)	A	224,864,502	588,759
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances)		(104,030,372)	(97,847,787)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)		(10,157,635)	(1,680,116,982)
Purchase of current investments		(253,709,067)	(253,214,464)
Sale of investments		-	226,219,907
Proceeds from sale of assets		615,800	313,792
Term deposits placed with banks during the year			
Term deposits refunded from banks during the year			
Interest received		250,548,326	300,057,506
Dividends received		4,642,689	6,101,627
Net cash from / (used in) investing activities (B)	B	(112,090,258)	(1,498,486,401)
Cash flow from financing activities			
Proceeds from issue of Equity Shares			-
Proceeds from Long Term Borrowings		-	
Repayment of long term borrowings			
Repayment of Short term borrowings (net)			
Payment of dividend and tax thereon			
Interest paid		(8,312,571)	(6,497,896)
Net cash (used in) / from financing activities (C)	C	(8,312,571)	(6,497,896)
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(A+B+C+D)	104,461,673	(1,504,395,538)
Opening balance of cash and cash equivalents	E	377,650,070	1,882,045,608
Closing balance of cash and cash equivalents	F	482,111,743	377,650,070
Net increase / (decrease) in cash and cash equivalents	(F-E)	104,461,673	(1,504,395,538)
Earmarked Balances with Banks (*)	G		
Closing cash and Bank Balance	(F+G)	104,461,673	(1,504,395,538)

(*) These balances are not available for use by the Group as they represent unpaid dividend liabilities and deposits held as security.

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N Priya
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of South Asia FM Limited (the Company) and its associates (collectively, the Group) for the year ended 31 March 2018.

South Asia FM Limited ('the Company') is engaged in producing and broadcasting radio software programming in Indian regional languages. The Company operates all the 28 FM stations for which the license has been procured.

The Company has 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, the Company has taken up a 48.9% beneficial interest in the Red FM Radio Companies by acquiring the equity of their holding companies at par. The promoters of Red FM continue to hold 51.1% in Red FM. As part of this strategic tie-up, (a) the promoters of Red FM have through their investment Company A H Multisoft Private Limited and (b) Astro Plc through its investment Company, South Asia Multimedia Technologies Limited, subscribed to 40% of the equity of the Company.

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

Name of the Company	Effective holding
Deccan Digital Networks (Hyderabad) Private Limited	28.99%
Metro Digital Networks (Hyderabad) Private Limited	28.99%
AV Digital Networks (Hyderabad) Private Limited	28.99%
Pioneer Radio Training Services Private Limited	48.89%
Optimum Media Services Private Limited	48.89%
Asia Radio Broadcast Private Limited	48.89%
Digital Radio (Delhi) Broadcasting Limited	48.89%
Digital Radio (Mumbai) Broadcasting Limited	48.89%
Digital Radio (Kolkata) Broadcasting Limited	48.89%
South Asia Multimedia Limited	48.89%

The Companies listed above are hereinafter collectively referred to as "Associates".

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Consolidated financial statements 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 Act under historical cost convention on accrual basis except for certain financial instruments which are measured at fair values and comply with the Ind AS referred to in Section 133 of the Companies Act, 2013.

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.

2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its associates as at March 31, 2018.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances. If the member of the companies 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 companies' financial statements in preparing the consolidated financial statements to ensure conformity with the company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the company, i.e., year ended on March 31, 2018.

Investments in Joint Venture and 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 requires unanimous consent of the parties sharing control.

An associate is an entity over which the company 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 Company's investment in its associates and joint ventures is accounted for using the Equity Method. Under the equity method, the investment in an associates or joint ventures is initially recognised at cost. The carrying amount of the investments is adjusted to recognised changes in the company'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 investments and not tested for impairment individually.

The statement of profit and loss reflects the company's share of the results of operation of the associates or joint ventures. Any changes in OCI of the investee is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company 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 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 company's net investment in the associates or joint ventures), the entity discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Company 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 recognizing its share of those profits only after its share of the profits equals the share of losses recognised.

The aggregate of the Company's share of profit or loss of an associate or joint venture is shown on the face of the statement of profit or loss.

The financial statement of the associates or joint ventures is prepared for the same reporting period as the Company.

After the application of the equity method, the company determines whether it is necessary to recognise and impairment loss on its investment in its associates or joint ventures. At each reporting date, the Company determines whether there is objective evidence that the investment in the associates or joint ventures is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying value, and then recognises the loss as 'Share of Profit of associates or joint ventures' in the statement of profit or loss.

Upon loss of significant influence or joint control of associates or joint ventures, the Company measures and recognises 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.

3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumption in these financial statements.

4. Property, Plant and Equipment

➤ Tangible Assets

- Tangible Fixed Assets are stated at cost less accumulated depreciation.
 - Depreciation on tangible Fixed Assets other than leasehold improvements is provided on written down value method at the rates and in the manner specified in Schedule II to the Act. Tangible Assets individually costing less than Rs.5,000 are depreciated @ 100% in the year of purchase.
 - Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.
 - BECIL infrastructure assets included in Tangible Fixed Assets (**Note 3**) represents aggregate value of the company's share of the cost of the assets, jointly owned, along with other license holders, at various stations. These assets are jointly

controlled assets and the company's share of cost of these assets has been determined corresponding to the number of license holders in each station.

➤ *Intangible Assets*

- One Time Entry Fees (OTEF) paid by the company for acquiring new licenses is capitalized as an asset, in respect of the stations that have become operational. OTEF is amortized over a period of fifteen years, being the period of license, the fifteen year period starting (i) from the date of operationalization of the station or (ii) after the expiry of one year from the date of signing the agreement, whichever is earlier.
- On Air License cost is capitalized as an asset and is amortized over a period of five years from the month in which the license is operative.
- Costs incurred towards the purchase of computer software are depreciated using straight line method over a period of three years.

5. Impairment

- The carrying amounts of assets are reviewed at each balance sheet date; if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset.

6. Employee Benefit Plans

Employee benefit plans comprise both defined benefit and defined contribution plans.

The company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ('LIC') based upon actuarial valuation.

Provident fund is a defined contribution plan. Each eligible employee and the company make equal contributions at a percentage of the basic salary specified under the Employee's Provident Fund's and Miscellaneous Provisions Act, 1952. The company has no further obligations under the plan beyond its periodic contributions.

7. Current Taxation

- Provision for income tax is determined at the current tax rates based on assessable income or on the basis of Section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax) whichever is higher.

8. Deferred Taxation

- Deferred tax is recognized, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more periods.

9. Investments

Investments are valued at Fair value through Profit or Loss. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary.

10. Financial Instruments

Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Subsequent Measurement

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through profit or loss

A financial asset is subsequently measured at fair value through profit or loss if it is held within the business model for trading if they are acquired for the purpose of selling in the near term.

Financial Liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

11. Revenue Recognition

- Revenue from Radio broadcasting is recognized on accrual basis on the airing of client's commercials.
- All expenses, not related / attributable to the acquisition of Fixed Assets, and incurred during the year are recognized as expense during the year.

12. License Fees

- As per the new frequency module (FM) broadcasting policy, effective April 1, 2005, license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fees (ROTEF) for the concerned city, whichever is higher.

13. Foreign Currency Transactions

- Realized gains and losses on foreign exchange transactions are recognized in the Profit & Loss account. Current Assets and current liabilities denominated in foreign currency outstanding at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Financial Statements. Exchange Gain / Loss in respect of liabilities incurred for the acquisition of Fixed Assets are recognized in the Profit & Loss account.

14. Preliminary Expenditure

- Preliminary expenses are written off over a period of five years commencing from the year in which the company commenced operations.

15. Provisions and contingent Liabilities

- A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date.

- These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

16. Segment Reporting

The company's operations are relating to FM Radio broadcasting and this is the only primary reportable segment.

SOUTH ASIA FM LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

(All amounts are in Indian Rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Number Of Shares	Amount
At 31 March 2017	381,859,817	3,818,598,170
Issue of share capital	-	-
At 31 March 2018	381,859,817	3,818,598,170

b. Other equity

For the year ended 31 March 2018

Particulars	Attributable to Equity holders of the parent			Items of OCI		Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	Total		
As at 1st April 2017	(605,056,083)	1,315,000,000	-	(5,480,204)	704,463,713	-	704,463,713
Profit for the period	387,623,371	-	-	-	387,623,371	-	387,623,371
Other comprehensive income(Note..)	-	-	-	(4,869,407)	(4,869,407)	-	(4,869,407)
Total Comprehensive Income	(217,432,713)	1,315,000,000	-	(10,349,611)	1,087,217,676	-	1,087,217,676
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
As at 31st March 2018	(217,432,713)	1,315,000,000	-	(10,349,611)	1,087,217,676	-	1,087,217,676

For the year ended 31 March 2017

Particulars	Attributable to Equity holders of the parent			Items of OCI		Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	Total		
As at 1st April 2016	(806,169,648)	1,315,000,000	-	-	508,830,352	-	508,830,352
Profit for the period	491,565,612	-	-	-	491,565,612	-	491,565,612
Other comprehensive income(Note..)	(5,480,204)	-	-	-	(5,480,204)	-	(5,480,204)
Total Comprehensive Income	(320,084,240)	1,315,000,000	-	-	994,915,760	-	994,915,760
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
As at 31st March 2017	(320,084,240)	1,315,000,000	-	-	994,915,760	-	994,915,760

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 3 - Property Plant & Equipment

	Plant & Machinery	Office Equipments	Furniture & Fitting	Leasehold Improvements	Motor Vehicles	Total
Gross Block						
At March 31, 2016	81,001,773	13,100,991	1,052,427	4,855,902	7,614,307	107,625,400
Additions	82,222,320	6,061,703	722,173	4,391,688	-	93,397,884
Disposals	(2,423,601)	(2,055,921)	(48,400)	-	-	(4,527,922)
At March 31, 2017	160,800,492	17,106,773	1,726,200	9,247,590	7,614,307	196,495,362
Additions	41,717,560	12,523,698	1,604,265	30,169,947	2,075,201	88,090,671
Disposals	(1,778,674)	(745,013)	(155,250)	-	-	(2,678,937)
At March 31, 2018	200,739,378	28,885,458	3,175,215	39,417,537	9,689,508	281,907,096

Depreciation						
At March 31, 2016	15,422,427	2,434,437	202,884	1,791,420	1,661,472	21,512,640
Charge for the year	19,163,702	2,710,535	312,103	1,947,737	1,589,279	25,723,356
Disposals	(2,266,912)	(1,554,490)	(43,543)	-	-	(3,864,945)
At March 31, 2017	32,319,217	3,590,482	471,444	3,739,157	3,250,751	43,371,051
Charge for the year	32,278,763	4,214,129	622,169	8,546,479	1,159,281	46,820,821
Disposals	(1,517,951)	(592,313)	(146,173)	-	-	(2,256,437)
At March 31, 2018	63,080,029	7,212,298	947,440	12,285,636	4,410,032	87,935,435

Net Block

At March 31, 2017	128,481,275	13,516,291	1,254,756	5,508,433	4,363,556	153,124,311
At March 31, 2018	137,659,349	21,673,160	2,227,775	27,131,901	5,279,476	193,971,661

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 4 - Intangible Assets

	Computer Software	Licenses	Total
Net Block			
At March 31, 2016	-	214,729,059	214,729,059
Additions	900,250	1,679,216,734	1,680,116,984
Disposals			-
At March 31, 2017	900,250	1,893,945,793	1,894,846,043
Additions	-	10,157,635	10,157,635
Disposals			-
At March 31, 2018	900,250	1,904,103,428	1,905,003,678

Amortization			
At March 31, 2016	-	79,494,524	79,494,524
Charge for the year	61,729	122,541,934	122,603,663
Disposals			-
At March 31, 2017	61,729	202,036,458	202,098,187
Charge for the year	300,083	125,991,410	126,291,493
Disposals			-
At March 31, 2018	361,812	328,027,868	328,389,680

Net Block

At March 31, 2017	838,521	1,691,909,335	1,692,747,856
At March 31, 2018	538,438	1,576,075,560	1,576,613,998

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 5. Financial assets (Non Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Investments in Associate Companies - Unquoted		
Investments in Equity Instruments at Cost		
Metro Digital Networks (Hyd) P Ltd	285,053,930	295,283,721
Deccan Digital Networks (Hyd) P Ltd	326,027,895	319,785,226
A.V.Digital Networks (Hyd) P Ltd	65,084,156	65,084,156
Pioneer Radio Training Services P Ltd	307,457,561	293,454,852
Asia Radio Broadcast P Ltd	117,174,273	101,322,246
Investments in Debt Instruments at Amortised Cost		
Metro Digital Networks (Hyd) P Ltd	393,924,183	351,718,020
Deccan Digital Networks (Hyd) P Ltd	492,903,149	440,092,097
A.V.Digital Networks (Hyd) P Ltd	91,511,162	72,843,681
Total	2,079,136,309	1,939,583,999

Investments in Joint Ventures - Unquoted		
Investments in Equity Instruments at Cost		
Optimum Media Services P Ltd	735,375,037	744,139,536
Investments in Debt Instruments at Amortised Cost		
Optimum Media Services P Ltd	678,535,812	605,835,547
Total	1,413,910,849	1,349,975,082

Aggregate value of unquoted investments	3,493,047,158	3,289,559,082
Aggregate amount of impairment in value of investments	-	-

Note 6. Financial assets (Non-Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Loans (Secured considered good unless otherwise stated)		
Loans to Associates - Considered good	295,848,998	287,113,654
Total	295,848,998	287,113,654

Other Financial Assets at Amortised Cost		
Rental and other deposits	14,146,045	15,168,326
Deposits with Government agencies	15,300,172	12,372,727
Bank balances other than cash and cash equivalents	5,681,351	159,745,583
Total	35,127,568	187,286,636

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

	As at 31-Mar-2018	As at 31-Mar-2017
Non-Current Tax Assets		
Advance income tax (net of provision)	95,773,617	99,597,578
Total	95,773,617	99,597,578

	As at 31-Mar-2018	As at 31-Mar-2017
Current Tax Liabilities		
Provision for Taxation (net of advance tax)	25,307,480	-
Total	25,307,480	-

Note 8. Other Current and Non-Current Assets**Other Non-Current Assets**

	As at 31-Mar-2018	As at 31-Mar-2017
Unsecured and considered good		
Capital advances	328,141,306	296,402,417
Prepaid expenses	49,251,231	41,985,938
Others	1,050,546	12,374,959
Total	378,443,083	350,763,314

Other Current Assets

	As at 31-Mar-2018	As at 31-Mar-2017
Prepaid expenses	65,855,329	54,115,193
Balances with statutory/government authorities	220,071,323	279,623,765
Others	14,047,898	-
Total	299,974,550	333,738,958

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 9 Trade Receivables

Trade and other receivables (current)

	As at 31-Mar-2018	As at 31-Mar-2017
Trade receivables	523,081,915	406,830,424
Total	523,081,915	406,830,424

Break-up for security details and more than 6 months overdue:

	As at 31-Mar-2018	As at 31-Mar-2017
Outstanding for a period exceeding six months from the date they are due for payment		
Trade receivables		
Secured, considered good	103,883,148	113,470,681
Unsecured, considered good		
Doubtful	31,099,762	12,791,167
	134,982,910	126,261,848
Provision for doubtful receivables	(31,099,762)	(12,791,167)
	103,883,148	113,470,681
Other receivables		
Secured, considered good	419,198,767	293,359,743
Unsecured, considered good	-	-
Doubtful	-	-
	419,198,767	293,359,743
Provision for doubtful receivables	-	-
	419,198,767	293,359,743
Total Trade Receivables	523,081,915	406,830,424

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

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 10 Financial assets (Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Investments in Debt Instruments at fair value through profit or loss (FVTPL):		
HDFC Floating Rate Income Fund 6045202.439 Units (Previous Year 5777948.562 Units)	60,941,081	58,246,921
HDFC Liquid Fund Dividend Plan Growth Option 15,526.117 Units (Previous year Nil Units)	53,159,552	-
IDFC Money Manager Fund Investment Plan Weekly Dividend 603889.150 Units (Previous Year 583749.296 Units)	6,175,672	5,966,619
IDFC Money Manager Fund investment Plan Daily Dividend 5133311.743 Units (Previous Year 4962219.597 Units)	52,313,066	50,543,184
ICICI Prudential Short Term Regular Plan - Growth Option 403600.919 Units (Previous Year 403600.919 Units)	14,608,376	13,771,711
ICICI Prudential Savings Fund Direct Plan Growth 39670.770 Units (Previous Year 39670.770 Units)	10,717,927	9,988,473
TATA Ultra Short Term Fund Regular Plan 11772.765 Units (Previous Year 11772.765 Units)	31,008,711	29,021,322
Tata Bond Fund Regular Plan Growth 206969.919 Units (Previous Year 206969.919 Units)	6,682,955	6,326,739
DHFL Pramerica banking PSU Debt Fund - Direct Plan - Growth 1396326.266 Units (Previous Year 1396326.266 Units)	21,435,842	20,102,071
DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth 1724439.276 Units (Previous Year 1019217.343 Units)	36,786,773	20,274,679
Total	293,829,956	214,241,719

Other Financial Assets at Amortised Cost

	As at 31-Mar-2018	As at 31-Mar-2017
Interest accrued fixed deposits	3,046,182	2,373,108
Other receivables (from Related Parties)	21,600	25,847
Interest Receivable	48,938,463	48,938,463
Total	52,006,245	51,337,418

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 11.1 Cash and Cash Equivalents**

	As at 31-Mar-2018	As at 31-Mar-2017
Balances with banks:		
- On current accounts	66,633,482	49,153,394
Cash on hand	93,627	113,184
Total	66,727,109	49,266,578

Note 11.2 Bank balances other than cash and cash Equivalents

Bank Balances Other than Cash and Cash Equivalent		
Deposits with original maturity for more than 3 months but less than 12 months	415,384,634	328,383,492
Total	415,384,634	328,383,492

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note - 12. Equity Share Capital

	As at 31-Mar-2018	As at 31-Mar-2017
Authorised Capital 401,000,000 Equity Shares of INR 10 each fully paid up (31-Mar-2017: 401,000,000 Equity Shares of INR 10 each fully paid up)	4,010,000,000	4,010,000,000
Issued, Subscribed and Paid-up Capital 381,859,817 Equity Shares of INR 10 each fully paid up (31-Mar-2017: 381,859,817 Equity Shares of INR 10 each fully paid up))	3,818,598,170	3,818,598,170
	3,818,598,170	3,818,598,170

(i) Reconciliation of the number of shares outstanding:

At the beginning of the year	381,859,817	381,859,817
Issued during the year	-	-
Outstanding at the end of the year	381,859,817	381,859,817

(ii) Term/Rights attached to Equity Shares

The Company has one class of equity shares having a face value of INR 10 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, 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL / - share (March 31, 2017: Rs. NIL/-)

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 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Name of the shareholders				
Sun TV Network Limited	226,992,000	59.44%	226,992,000	59.44%
AH Multisoft Private Limited	76,371,962	20.00%	76,371,962	20.00%
South Asia Multimedia Technologies Limited, Mauritius	76,371,963	20.00%	76,371,963	20.00%

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 13 Other Equity

	As at 31-Mar-2018	As at 31-Mar-2017
Compulsorily Convertible Non - Cumulative Preference Shares classified as Equity	2,335,006,830	2,335,006,830
Share Premium	1,315,000,000	1,315,000,000
Retained earnings	(227,782,324)	(610,536,287)
Total	3,422,224,506	3,039,470,543

Note 14 Other Financial Liabilities (Non-Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Other financial liabilities at amortised cost		
Loan from CUB	-	120,001,000
Rental deposit	20,000	20,000
Total	20,000	120,021,000

Note 15 Trade Payables

	As at 31-Mar-2018	As at 31-Mar-2017
Trade Payables	389,209,496	307,208,900
Total	389,209,496	307,208,900

There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Group 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

Note 16 Other Financial Liabilities (Current)

	As at 31-Mar-2018	As at 31-Mar-2017
Other financial liabilities at amortised cost		
Current maturities of long term debt	-	120,000,000
Payable to employees	10,000,000	8,300,000
Outstanding liabilities	7,143,055	1,978,936
Rent payable	693,332	475,581
Interest Payable	-	2,153,143
Total	17,836,386	132,907,660

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 17. Other Current Liabilities**

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Statutory Dues	33,681,232	7,691,983
Advances from customers	5,834,332	7,641,534
Other Liabilities	7,392,963	2,693,842
Total	46,908,527	18,027,359

Note 18. Provisions

	As at 31-Mar-2018	As at 31-Mar-2017
Short-term provisions		
Provision for leave encashment	3,131,899	4,510,732
Total	3,131,899	4,510,732

	As at 31-Mar-2018	As at 31-Mar-2017
Long-term provisions		
Provision for gratuity	8,094,437	3,446,370
Provision for leave encashment	8,889,194	4,250,189
Total	16,983,631	7,696,559

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 19. Revenue from Services

	March 31, 2018	March 31, 2017
Revenues from services		
Advertising income	1,309,407,044	1,089,808,825
Total	1,309,407,044	1,089,808,825

Note 20. Other Income

	March 31, 2018	March 31, 2017
Dividend income on current investments	4,642,689	6,101,627
Net gain on sale of current investments	-	5,451,815
Fair Value Gain on Financial Instruments at FVTPL(net)	7,445,547	11,238,683
Liabilities / provisions not required written back	2,064,540	2,124,421
Profit on Sale of Assets	193,300	-
Miscellaneous Income	200,001	588,320
Total	14,546,077	25,504,866

Note 21. Finance Income

	March 31, 2018	March 31, 2017
Interest income		
- on bank deposits	27,024,291	100,964,747
- on loans to associates	218,793,261	199,092,759
- on others	4,730,774	-
Total	250,548,326	300,057,506

Note 22. Cost of Revenues

	March 31, 2018	March 31, 2017
Program production expenses	141,320,398	111,647,525
Licenses	162,295,287	150,307,469
Others	184,247	132,199
Total	303,799,932	262,087,193

Note 23. Employee Benefit Expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	309,063,757	228,137,788
Gratuity expense	6,946,198	4,528,031
Leave Encashment	3,260,172	2,740,702
Contributions to provident fund and other funds	20,728,875	16,116,168
Staff welfare expense	2,590,628	1,651,887
Total	342,589,630	253,174,576

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 24. Other Expenses

	March 31, 2018	March 31, 2017
Legal and professional fees (Refer details below for payments made to auditors)	37,340,531	63,251,721
Travel and conveyance	8,722,320	8,145,005
Rent	39,186,766	29,840,652
Electricity expense	47,123,378	41,373,840
Power and fuel	6,867,870	6,514,594
Repairs and maintenance		
- Building	124,100	-
- Plant and machinery	5,334,135	6,442,951
- Others	5,829,145	8,989,714
Communication	10,901,558	9,172,296
Corporate Social Responsibility	7,492,540	3,962,500
Utilities	19,569,032	15,201,897
Insurance	1,184,954	1,022,908
Bad debts written off	317,565	326,314
Provision for doubtful debts	18,943,448	9,910,778
Loss on sale of assets (net) / assets scrapped	-	349,185
Rates and taxes	9,641,943	3,394,986
Miscellaneous expenses	2,250,784	1,159,687
Total	220,830,069	209,059,028

Payment to auditor

	March 31, 2018	March 31, 2017
As auditor:		
Audit fee	100,000	100,000
	-	-
In other capacity:		
Other services (certification fees)	230,000	-
Total	330,000	100,000

Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Company during the year

7,481,620

Amount Spent during the year on :

	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	7,492,540	-	7,492,540
	7,492,540	-	7,492,540
Contribution made to Related Parties:	7,400,000	-	-

Note 25. Advertisement & marketing expense

	March 31, 2018	March 31, 2017
Advertisement and marketing expenses	57,052,985	44,659,874
Total	57,052,985	44,659,874

Note 26. Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (Note 3)	46,820,820	25,723,355
Amortization of intangible assets (Note 4)	126,291,494	122,603,663
Total	173,112,314	148,327,018

Note 27. Finance Costs

	March 31, 2018	March 31, 2017
Interest		
- on loans against deposits	-	-
- others	8,064,623	6,027,877
Bank charges	247,948	470,019
Total	8,312,571	6,497,896

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018**

(All amounts are in Indian Rupees unless otherwise stated)

Note 28. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018			
	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	419,198,767	419,198,767
Others (if any)	-	-	-
	-	419,198,767	419,198,767

During the year ended 31 March 2017

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	5,480,204	5,480,204
Others (if any)	-	-	-
	-	5,480,204	5,480,204

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 29. Earnings Per Share**

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, 2018	March 31, 2017
Profit after tax (Rs. in crores)	365,701,672	491,565,612
Weighted average number of shares		
- Basic	381,859,817	381,859,817
- Diluted	405,209,885	405,209,885
Earning per share of Rs.10/- each		
- Basic	0.96	1.29
- Diluted	0.90	1.21

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 30. Employee benefit plans - Gratuity

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

	Year ended March 31, 2018	Year ended March 31, 2017
During the year, the company has recognised the following amounts in the Profit and Loss account, which are included in Employee Benefit Expense in Note 23		
Contribution to Provident Fund	20,057,543	15,668,101

Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recognized in profit or loss:		
Current service cost	5,608,254	4,849,728
Interest cost on benefit obligation	38,219	(321,697)
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	73,214	3,672,627
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	1,453,475	3,191,944
Experience adjustments	2,939,716	(1,336,674)
Return on Plan Assets (Greater) / Less than Discount rate	403,002	(47,693)
Recognized in other comprehensive income	4,869,407	5,480,204
Net benefit expense	10,515,880	10,008,235

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	29,558,247	19,814,702
Fair value of plan assets	21,463,810	16,368,332
Plan Liability / (Asset)	8,094,437	3,446,370

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

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	19,814,702	11,719,865
Current service cost	5,608,254	4,849,728
Interest cost	1,412,752	813,729
Actuarial (gains) / losses on obligation	4,466,405	5,527,897
Benefits paid	(1,743,865)	(3,096,517)
Closing defined benefit obligation	29,558,248	19,814,702

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of planned assets at the beginning of the year	16,368,332	13,200,426
Expected return on plan assets	1,374,532	1,135,426
Contributions	5,867,813	5,081,304
Benefits paid	(1,743,865)	(3,096,517)
Actuarial gain / (loss) on plan assets	(403,002)	47,693
Fair value of plan assets at the end of the year	21,463,810	16,368,332

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.46%	6.72%
Expected rate of return on assets	7.46%	6.72%
Employee turnover	15.58%	16.00%

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. Based on the experience of the previous years, the Company expects to contribute Rs.52,00,000 to the gratuity fund in the next year. However, the actual contribution by the Company will be based in the actuarial valuation report received from the insurance company.

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity plan	
	March 31, 2018	March 31, 2017
Investments details		
Funds with LIC	21,463,810	16,368,332
Total	21,463,810	16,368,332

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity plan:

Assumptions	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1,629,162)	1,295,114	(1,846,616)	(5,371,636)

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.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)		
	3,644,461	2,893,840
Between 2 and 5 years	10,281,854	7,675,557
Between 5 and 10 years	6,619,993	4,616,664
Total expected payments	20,546,308	15,186,061

Note 31. Commitments and Contingencies

a. Leases

Operating lease commitments – Group as lessee

The company has leased premises under the operating leases.

The Company has paid INR Rs. 3,68,47,819/- (31 march 2017: INR Rs. 2,78,00,894 /-) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

	March 31, 2018	March 31, 2017
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total	-	-

	March 31, 2018	March 31, 2017
b) Contingent Liabilities		
a) Claims - Others		
Guarantee Issued by bank on behalf of company	136,260,083	159,745,583
Claims against the company not acknowledged as debt	1,008,242	1,008,242

South Asia FM Limited

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 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

Sun Direct TV Pvt Limited

Holding Company

Sun Tv Network Limited

Joint Venture

Optimum Media Services P Ltd

Associates

Metro Digital Networks (Hyd) P Ltd

Deccan Digital Networks (Hyd) P Ltd

A.V.Digital Networks (Hyd) P Ltd

Pioneer Radio Training Services P Ltd

Asia Radio Broadcast P Ltd

Optimum Media Services P Ltd

Digital Radio (Delhi) Broadcasting Limited

Digital Radio (Mumbai) Broadcasting Limited

Digital Radio (Kolkata) Broadcasting Limited

South Asia Multimedia Limited

Key Management personnel

Mr. K.Shanmugam - Managing Director

South Asia FM Limited

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Joint Ventures/ associates		Key managerial personnel / Relatives of Key managerial personnel	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Rental Income								
Sun Direct TV Pvt Ltd	-	-	200,000	276,025	-	-	-	-
Other Income								
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	34,455,343	32,519,413	-	-
Rent Expense								
Sun Tv Network Limited	1,305,024	1,247,537						
Advertisement expenses								
Sun Tv Network Limited		-	-	-	-	-	-	-
Business Support Services								
Sun Tv Network Limited	1,355,828	1,336,746						

South Asia FM Limited

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 32 Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiaries / Joint Venture	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances Outstanding:						
Other Receivables						
Sun Direct TV Pvt Limited	-	-	21,600	15,750		
Investments						
Metro Digital Networks (Hyd) P Ltd					678,978,113	647,001,742
Deccan Digital Networks (Hyd) P Ltd					818,931,044	759,877,323
A.V.Digital Networks (Hyd) P Ltd					156,595,318	137,927,837
Pioneer Radio Training Services P Ltd					307,457,561	293,454,852
Asia Radio Broadcast P Ltd					117,174,273	101,322,246
Optimum Media Services P Ltd					1,413,910,849	1,349,975,082
Loans & Advances						
A.V.Digital Networks (Hyd) P Ltd	295,848,998	287,113,654				
Rental and other deposits						
Sun Direct TV Pvt Limited	-		20,000	20,000		
Accounts Payable / Other Current Liabilities						
Sun Tv Network Limited	254,683	331,020				

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 33.1. 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:

Particulars	Carrying Value		Fair Value	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Financial Assets				
(Non Current & Current)				
Investments in Mutual Funds	293,829,956	214,241,719	293,829,956	214,241,719
Investments in Associate companies	2,079,136,309	1,939,583,999	2,079,136,309	1,939,583,999
Investments in joint ventures	1,413,910,849	1,349,975,082	1,413,910,849	1,349,975,082
Total	3,786,877,114	3,503,800,800	3,786,877,114	3,503,800,800

Note 33. 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 31 March 2018:

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)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31/Mar/18	293,829,956	293,829,956	-	-
Investments in Associate companies	31/Mar/18	2,079,136,309		2,079,136,309	
Investments in joint ventures	31/Mar/18	1,413,910,849		1,413,910,849	
Assets for which fair values are disclosed:					
Investment Properties	31/Mar/18	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

There have been no transfers between Level 1 and Level 2 during the period.

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)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31/Mar/17	214,241,719	214,241,719	-	-
Investments in Associate companies	31/Mar/17	1,939,583,999		1,939,583,999	
Investments in joint ventures	31/Mar/17	1,349,975,082		1,349,975,082	
Assets for which fair values are disclosed:					
Investment Properties	31/Mar/17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

There have been no transfers between Level 1 and Level 2 during the period.

SOUTH ASIA FM LIMITED

Consolidated Notes to Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees unless otherwise stated)

Note 34. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. 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 is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. 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 three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, etc.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, sale of current investments, etc

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Other financial liabilities	-	17,836,386	-	20,000	-	17,856,386
Trade and other payables	-	436,118,023	-	-	-	436,118,023
Total	-	453,954,409	-	20,000	-	453,974,409
Year ended 31-Mar-17						
Other financial liabilities	-	132,907,660	-	120,021,000	-	252,928,660
Trade and other payables	-	325,236,259	-	-	-	325,236,259
Total	-	458,143,919	-	120,021,000	-	578,164,919

SOUTH ASIA FM LIMITED**Consolidated Notes to Financial Statements for the year ended 31 March, 2018***(All amounts are in Indian Rupees unless otherwise stated)***Note 35. Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, share 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 the company and ROE. The Group's policy is to keep ROE between 2% to 5%. The Group has achieved the same for the past two years.

Return on Equity	31-Mar-18	31-Mar-17
Profit Before Taxes	468,803,946	491,565,612
Less: Finance Income	(250,548,326)	(300,057,506)
Add: Finance cost	8,312,571	6,497,896
Earnings before Net interest and Tax	226,568,191	198,006,002
Equity Share Capital	3,818,598,170	3,818,598,170
Other Equity	3,422,224,506	3,039,470,543
Capital Employed	7,240,822,676	6,858,068,713
ROCE	3.13	2.89

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31

Note 36. CIF Value of Imports

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Goods	36,390,161	24,340,633

Note 37. Expenditure in Foreign Currency

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Production Expenses	41,472	77,875
Travelling Expenses	23,515	27,430

Note 38. Provisional Attachment Order from Enforcement Directorate

During the FY 2015-16, the Company received an order from Enforcement Directorate, Ministry of Finance, Government of India, provisionally attaching fixed deposits with banks and mutual fund investments aggregating to Rs. 21.34 Crores of the Company, under the Prevention of Money Laundering Act, 2002 in connection with an investigation not involving the Company. During the financial year 2016-17, the Hon'ble Special Court hearing the related proceedings passed an order as a result of which the provisional attachment stands released. While the appeal process in this matter is pending, the Company continues to be in possession of these assets. Based on the legal opinion received, the management is confident that the appeal filed against the said Provisional Attachment Order by the Enforcement Directorate is not tenable against the Company. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard.

Note 39. Note on FM Radio Licences

The company operationalized all the five new frequencies which it obtained in the batch I of phase III.

The Company was successful bidder in 7 new frequencies in Batch 2 of Phase III for which the requisite One Time Entry Fee has already been paid in FY 2016-17 and are awaiting signing of GOPA with Ministry of Information and Broadcasting.

Note 40. Prior year comparatives

Previous year figures have been regrouped/reclassified, wherever necessary, to conform to this year's classification.

As per my report of even date

For and on behalf of Board of Directors of South Asia FM Limited

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 2, 2018

Place: Chennai
Date: May 2, 2018