



SOUTH ASIA FM LIMITED

ANNUAL REPORT 2017



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 (From 31/03/2017)
Mr.Nicholas Martin Paul	Independent Director (From 31/03/2017)

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, 2017 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, 2017	March 31, 2016
Revenues	10898.09	8986.22
Other Income	3255.62	2616.36
Total Income	14153.71	11602.58
Expenditure (Excluding interest, depreciation & amortization)	7689.81	6226.71
Earning before interest, tax, depreciation & amortization (EBITDA)	6463.90	5375.87
Finance Costs	64.98	5.47
Depreciation and amortization	1483.27	1010.07
Earning before taxation (EBT)	4915.65	4360.33
Current Tax	-	-
MAT Credit	-	-
Fringe Benefit Tax (FBT)	-	-
Profit/(Loss) transferred to Balance Sheet	4915.65	4360.33

OPERATIONS

The financial year 2016-2017 was significant for the Company in terms of growth; the broadcasting revenue of the company has increased by 21% to Rs.10898.08 Lakhs from Rs.8986.22 Lakhs of the previous year.

Your Company has achieved profit before tax of Rs.4915.66 Lakhs in the financial year 2016-17 as against Rs.4360.33 Lakhs in the previous year representing 12.7% growth.

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 2016-2017.

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.

The Board appointed Mrs.Nisha Narayanan & Mr.Nicholas Martin Paul as additional directors of the Company with effect from 31st March, 2017 after obtaining the necessary approvals from the Ministry of Information & Broadcasting for their appointment.

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 2016-2017, the Board met 6 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	19/04/16	Apr-June	3	3
2	25/05/16	Apr-June	3	3
3	04/08/16	July-Sep	3	3
4	31/10/16	Oct-Dec	3	3
5	06/02/17	Jan-Mar	3	3
6	31/03/17	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

Mr.V.Thiyagarajhen [Membership No: 29295], Chartered Accountant, Chennai was appointed as Statutory Auditor of the Company for the financial year 2016-17. Mr.V.Thiyagarajhen submitted his resignation vide his letter dated 28th March, 2017. The Board accepted his resignation and recorded its sincere appreciation for the valuable services rendered during his fruitful tenure with the Company.

The Board appointed Ms.N.Priya [Membership No: 223834] Chennai as Statutory Auditor for the financial year 2016-17 in place of Mr.V.Thiyagarajhen. The Board recommends for re-appointment of Ms.N.Priya as Statutory Auditor of the Company for the Financial Year 2017-18 and shall hold office from the conclusion of this Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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."

Ms.N.Priya, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors hereby recommends the appointment of Ms.N.Priya as the statutory auditor of the Company for the financial year 2017-18.

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 2016-17.

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 2016-17.

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, 2017.

SUBSIDIARIES OR ASSOCIATE COMPANIES

The following are the list of Subsidiaries, and Associates during the financial year 2016-17.

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. 352.20 Lakhs/- (Previous Year Rs. 0.10 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 2016-17, 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, 2017 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 2017, 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 has obtained clearance from Ministry of Information & Broadcasting for migrating the existing FM radio stations from Phase-II to Phase-III during Nov.,2016. The Company had made the requisite payment and migrated all the existing radio stations from FM radio Phase-II to Phase-III and accordingly signed the GOPA with the Ministry of Information & Broadcasting.

The Company received the Letter of Intents during Nov.,2016 for the new frequencies where the Company was successful bidder in Batch-1 of Phase-III which was held in Financial year 2015-16 after making the requisite payment (Chandigarh/ Amritsar/ Patna/ Surat & Jammu). Except Jammu the Company has operationalized the other 4 frequencies in the financial year 2016-17. Jammu is expected to be operationalized during the Financial year 2017-18.

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). The Company has already obtained the Letter of Intent after making the requisite fees and is in process of setting up the infrastructure facilities for the new frequencies. These are expected to be operational during the financial year 2017-18.

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 : May 24, 2017

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. 1976.03 Lakhs

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

The Company is required to spend Rs.39.52 Lakhs towards CSR.

5. Details of CSR spend during the financial year:

- Total amount to be spent for the financial year – Rs. 39.22 Lakhs.
- Amount unspent, if any – Nil.
- 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	Vani Deaf Childeren	(ii)	Bangalore	22.13	22.13	22.13	Direct
2	Prabhat Edu Foundation	(ii)	Ahmedabad	8.50	8.50	8.50	Direct
3	Starkey Foundation	(ii)	Pune	9.00	9.00	9.00	Direct
	Total			39.63	39.63	39.63	

Note 1 :

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water,
- 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

Over the years the Company has been involved in a number of activities, in the areas of health and education and contribution to Government funds through 'Sun Foundation' a trust formed by the Company. Accordingly the company decided to focus 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 31/03/2017
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

CIN	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		0		
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in indebtedness during the year				
Addition		29,50,00,000		
Reduction		(5,50,00,000)		
Net Change		24,00,00,000		
Indebtedness at the end 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		

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 • Fee for attending board / committee meetings • Commission • Others, please specify			
	Total (1)	-	-	-
	4. Other Non-Executive Directors • 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	35.40
(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)		35.40

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 stand alone Ind AS financial statements of **M/s. South Asia FM Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, 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 stand alone 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 stand alone 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 stand alone 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 stand alone 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 stand alone 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 stand alone 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.

Emphasis of the Matter

Without qualifying the opinion, I draw attention to notes, regarding matters of material uncertainty in relation to assets of the company, FM Radio licenses and investments in other Radio FM companies.

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 stand alone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to 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 stand alone 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.

iv. The Company has provided requisite disclosure in its stand alone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of

accounts maintained by the company. Refer Note 23.16 to the standalone financial statements.

Place : Chennai
Date : 24/05/2017

(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, 2017:

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) As informed to me, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the services rendered by the company.

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, 2017 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 : 24/05/2017

(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, 2017 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, 2017, 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 : 24/05/2017

(N. Priya)
Chartered Accountant
Membership # 223834

SOUTH ASIA FM LIMITED
Balance Sheet as at 31 March 2017
(All amounts are in Indian Rupees)

Particulars	Notes	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
ASSETS				
Non-Current Assets				
Property Plant and Equipment	3	153,124,311	86,112,760	94,145,174
Capital Work-in-Progress		4,449,904	-	-
Intangible assets	4	1,692,747,856	135,234,535	214,729,059
Financial Assets				
Investments in Associate Companies	5	2,455,477,221	2,358,275,336	2,271,487,938
Investments in Joint Ventures	5	1,124,519,707	1,059,608,755	28,595,000
Loans	6	287,127,858	279,328,446	272,364,684
Other Financial Assets	6	187,286,636	266,866,049	232,385,310
Tax Assets	7	99,597,578	67,043,357	52,009,321
Deferred tax assets (Net)		-	-	-
Other non current assets	8	630,387,078	41,830,518	34,750,608
		6,634,718,149	4,294,299,757	3,200,467,095
Current Assets				
Financial Assets				
Loans		-	-	-
Trade receivables	9	406,830,418	346,706,110	287,300,687
Investment	10	214,241,717	332,669,498	152,624,431
Other Financial Assets	10	51,337,418	54,557,219	25,135,264
Cash and Cash Equivalents	11	49,266,578	43,334,382	25,620,603
Bank Balances Other than Cash and Cash Equivalent	11	328,383,492	1,838,711,226	86,263,163
Other current assets	8	54,115,193	28,754,443	36,792,714
		1,104,174,816	2,644,732,879	613,736,863
Total Assets		7,738,892,965	6,939,032,636	3,814,203,957
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	3,818,598,170	3,818,598,170	2,503,598,170
Other Equity	13			
General Reserve		-	-	-
Other Reserves		3,329,922,592	2,843,837,182	1,095,776,679
Equity attributable to the equity holders of the parent		7,148,520,762	6,662,435,352	3,599,374,849
Non-controlling interests		-	-	-
Total Equity		7,148,520,762	6,662,435,352	3,599,374,849
Non-Current Liabilities				
Financial Liabilities				
Other financial liabilities	14	120,021,000	20,000	70,000
Provisions	18	7,696,559	4,409,808	-
Deferred Tax Liabilities (Net)		-	-	-
		127,717,559	4,429,808	70,000
Current Liabilities				
Financial Liabilities				
Trade Payables	15	307,208,892	241,616,019	188,587,946
Other current financial liabilities	16	132,907,660	11,737,600	10,242,890
Tax liability		-	-	-
Other Current Liabilities	17	18,027,359	17,203,446	15,928,273
Provisions	18	4,510,732	1,610,411	-
Total Liabilities		462,654,644	272,167,476	214,759,109
TOTAL EQUITY AND LIABILITIES		7,738,892,965	6,939,032,635	3,814,203,957

As per our report of even date.

For and on behalf of board of directors of South Asia FM Limited

N Priya
Chartered Accountant
Membership No :223834

K.Shanmugam
Managing Director

J.Ravindran
Director

C.Venkatesh
Company Secretary

Place:Chennai
Date : May 24, 2017

Place:Chennai
Date : May 24, 2017

SOUTH ASIA FM LIMITED
Statement Of Profit And Loss for the year ended 31 March 2017
(All amounts are in Indian Rupees)

	Note No.	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
Income			
Revenue from Operations	19	1,089,808,825	898,622,257
Other Income	20	25,504,866	23,859,524
Finance Income	21	300,057,506	237,776,497
Total Income		1,415,371,197	1,160,258,277
Expenses			
Costs of revenues	22	262,087,193	195,373,609
Employees' benefits expense	23	253,174,575	214,743,946
Other expenses	24	209,059,027	156,857,047
Advertisement and marketing expenses	25	44,659,874	55,696,854
Depreciation and amortization expense	26	148,327,018	101,007,164
Finance costs	27	6,497,896	546,501
Total Expense		923,805,582	724,225,121
Profit(Loss) Before Tax		491,565,615	436,033,157
Current Year		-	-
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		-	-
Profit for the year		491,565,615	436,033,157
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:	28		
Remeasurement gains and (losses) on defined benefit obligations (net)		5,480,204	2,972,654
Income tax effect		-	-
		5,480,204	2,972,654
Others (Specify nature)		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		5,480,204	2,972,654
Other comprehensive income/(loss) for the year, net of tax (i+ii)		5,480,204	2,972,654
Total comprehensive income for the year, net of tax attributable to:		5,480,204	2,972,654
Profit for the year		491,565,615	436,033,157
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Total comprehensive income for the year		5,480,204	2,972,654
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		1.29	1.42
Diluted profit from operations attributable to equity holders of the parent		1.21	1.32
Significant Accounting Policies	2		

See accompanying Notes forming part of the Consolidated Financial Statements.

As per our report of even date.

For and on behalf of board of directors of South Asia FM Limited

N Priya
Chartered Accountant
Membership No :223834

K.Shanmugam
Managing Director

J.Ravindran
Director

C.Venkatesh
Company Secretary

Place : Chennai
Date : May 24, 2017

Place : Chennai
Date : May 24, 2017

SOUTH ASIA FM LIMITED

Cash Flow Statement for the year ended 31 March 2017

(All amounts are in Indian Rupees)

Particulars		Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
Cash flow from operating activities			
Net profit before tax and extraordinary items		491,565,615	436,033,157
Adjustments to reconcile:			
IND AS adjustments		(16,718,887)	(8,497,364)
Depreciation on tangible assets/investment property		25,723,355	21,512,640
Amortisation of intangible assets		122,603,663	79,494,524
Impairment of intangible assets			
(Profit)/Loss on sale of fixed assets/investment property, net		(5,102,630)	2,006,160
Translation loss / (gain) on monetary assets and liabilities			
Provision for doubtful debts/Movie advances and other Assets		9,910,778	2,261,450
Provision for litigations and claims			
Bad debts written off		326,314	10,005,914
Liabilities / provisions no longer required written back		(2,124,421)	(13,340,794)
Interest income		(300,057,506)	(237,776,497)
Dividend income		(6,101,627)	(5,871,149)
Interest expense		6,497,896	546,501
Operating profit before working capital changes		326,522,549	286,374,542
Movements in working capital :			
(Increase) / Decrease in trade receivables		(70,361,399)	(71,672,787)
(Increase) / Decrease in inventories		0	0
(Increase) / Decrease in other current assets/other financial assets		(538,917,508)	(69,908,097)
(Increase) / Decrease in loans and advances		(32,554,221)	(15,034,036)
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		309,712,268	69,088,750
Increase / (Decrease) in provisions		6,187,072	6,020,219
Cash generated from operations		588,761	204,868,591
Direct taxes paid (net of refunds)			
Net cash flow from/ (used in) operating activities (A)	A	588,761	204,868,591
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances)		(97,847,787)	(15,023,198)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)		(1,680,116,984)	0
Purchase of current investments		(253,214,463)	(1,333,835,994)
Sale of investments		226,219,907	40,163,690
Proceeds from sale of assets		313,792	887,604
Term deposits placed with banks during the year			
Term deposits refunded from banks during the year			
Interest received		300,057,506	237,776,497
Dividends received		6,101,627	5,871,149
Net cash from / (used in) investing activities (B)	B	(1,498,486,402)	(1,064,160,252)
Cash flow from financing activities			
Proceeds from issue of Equity Shares		0	2,630,000,000
Proceeds from Long Term Borrowings			
Repayment of long term borrowings			
Repayment of Short term borrowings (net)			
Payment of dividend and tax thereon			
Interest paid		(6,497,896)	(546,501)
Net cash (used in)/ from financing activities (C)	C	(6,497,896)	2,629,453,499
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)	(1,504,395,537)	1,770,161,838
Opening balance of cash and cash equivalents	E	1,882,045,608	111,883,766
Closing balance of cash and cash equivalents	F	377,650,070	1,882,045,608
Net increase / (decrease) in cash and cash equivalents	(F-E)	(1,504,395,538)	1,770,161,841
Earmarked Balances with Banks (*)	G		0
Closing cash and Bank Balance	(F+G)	(1,504,395,538)	1,770,161,841

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

As per our report of even date.

For and on behalf of board of directors of South Asia FM Limited

N Priya

Chartered Accountant
Membership No :223834K.Shanmugam
Managing DirectorJ.Ravindran
DirectorC.Venkatesh
Company Secretary

SOUTH ASIA FM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2017

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 27 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%

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. Reconciliations and descriptions of the effect of the transition has been summarized in note 43.

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.

16. First Time adoption of Ind-AS

These standalone financial statements of South Asian FM Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

SOUTH ASIA FM LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2017

17. Provisional Attachment order from Enforcement Directorate

During the year, the Hon'ble Special Court hearing the related proceedings in connection with an investigation not involving the Company, passed an order, as a result of which, the provisional attachment stands released. During the previous year, certain fixed deposits with bank and mutual fund investment of the Company aggregating to Rs.21.34 Crores had been provisionally attached vide order of the Enforcement Directorate, Ministry of Finance, Govt. of India, ("Enforcement Directorate"), under the prevention of Money Laundering Act, 2002. ("PMLA"). Whilst the appeal process in this matter is pending. The Company continues to be in possession of the said deposits/mutual fund investments, the management is confident of a successful outcome from the same and accordingly is of the view that no accounting adjustments are considered necessary in this financial results in this regard

18. 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 has obtained clearance from Ministry of Information & Broadcasting for migrating the existing FM radio stations from Phase-II to Phase-III during Nov.,2016. The Company had made the requisite payment and migrated all the existing radio stations from FM radio Phase-II to Phase-III and accordingly signed the GOPA with the Ministry of Information & Broadcasting.

The Company received the Letter of Intents during Nov.,2016 for the new frequencies where the Company was successful bidder in Batch-1 of Phase-III which was held in Financial year 2015-16 after making the requisite payment (Chandigarh/ Amritsar/ Patna/ Surat & Jammu). Except Jammu the Company has operationalized the other 4 frequencies in the financial year 2016-17. Jammu is expected to be operationalized during the Financial year 2017-18.

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). The Company has already obtained the Letter of Intent after making the requisite fees and is in process of setting up the infrastructure facilities for the new frequencies

For and on behalf of the Board of Directors

In terms of our report of even date

K.SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C.VENKATESH
Company Secretary

N PRIYA
CHARTERED ACCOUNTANT
Membership # 223834

PLACE : CHENNAI
DATE : May 24, 2017

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees)

Note 3 - Property Plant & Equipment

	Plant & Machinery	Office Equipments	Furniture & Fitting	Leasehold Improvements	Motor Vehicles	Total
Net Block						
At April 1, 2015	76,469,993	10,531,462	663,236	983,515	5,496,968	94,145,174
Additions	4,708,014	3,870,859	454,599	3,872,387	2,117,339	15,023,198
Disposals	(176,234)	(1,301,330)	(65,408)	0	0	(1,542,972)
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	0	93,397,883
Disposals	(156,689)	(501,431)	(4,857)	0	0	(662,977)
At March 31, 2017	163,067,404	18,661,262	1,769,743	9,247,590	7,614,307	200,360,306
Depreciation						
At April 1, 2015	0	0	0	0	0	0
Charge for the year (Refer Note - XX)	15,422,427	2,434,437	202,884	1,791,420	1,661,472	21,512,640
Disposals	0	0	0	0	0	0
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 (Refer Note - XX)	19,163,702	2,710,535	312,103	1,947,737	1,589,279	25,723,355
Disposals	0	0	0	0	0	0
At March 31, 2017	34,586,129	5,144,972	514,987	3,739,157	3,250,751	47,235,995
Net Block						
At March 31, 2016	65,579,346	10,666,554	849,543	3,064,482	5,952,835	86,112,760
At March 31, 2017	128,481,274	13,516,291	1,254,756	5,508,434	4,363,556	153,124,311

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees)

Note 4 - Intangible Assets

	Computer Software	Licenses	Total
Net Block			
At April 1, 2015	-	214,729,059	214,729,059
Additions	-	-	-
Disposals	-	-	-
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
Amortization			
At April 1, 2015	-	-	-
Charge for the year (Refer Note - XX)	-	79,494,524	79,494,524
Disposals	-	-	-
At March 31, 2016	-	79,494,524	79,494,524
Charge for the year (Refer Note - XX)	61,729	122,541,934	122,603,663
Disposals			-
At March 31, 2017	61,729	202,036,458	202,098,187
Net Block			
At March 31, 2016	-	135,234,535	135,234,535
At March 31, 2017	838,521	1,691,909,336	1,692,747,856

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees)

Note 5. Financial assets (Non Current)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Investments in Associate Companies			
Investments in Equity Instruments at Cost			
Metro Digital Networks (Hyd) P Ltd	648,826,876	648,826,876	648,826,876
Deccan Digital Networks (Hyd) P Ltd	535,737,867	535,737,867	535,737,867
A.V.Digital Networks (Hyd) P Ltd	266,126,465	266,126,465	266,126,465
Pioneer Radio Training Services P Ltd	28,595,000	28,595,000	28,595,000
Asia Radio Broadcast P Ltd	28,595,000	28,595,000	28,595,000
Investments in Debt Instruments at Amortised Cost			
Metro Digital Networks (Hyd) P Ltd	351,718,020	314,033,947	280,387,453
Deccan Digital Networks (Hyd) P Ltd	440,092,097	392,939,372	350,838,725
A.V.Digital Networks (Hyd) P Ltd	155,785,894	143,420,808	132,380,552
Total	2,455,477,221	2,358,275,336	2,271,487,938
Investments in Joint Ventures			
Investments in Equity Instruments at Cost			
Optimum Media Services P Ltd	518,684,160	518,684,160	28,595,000
Investments in Debt Instruments at Amortised Cost			
Optimum Media Services P Ltd	605,835,547	540,924,595	-
Total	1,124,519,707	1,059,608,755	28,595,000
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate value of unquoted investments	3,579,996,927	3,417,884,091	2,300,082,938
Aggregate amount of impairment in value of investments	-	-	-

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees)

Note 6. Financial assets (Non-Current)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Loans (Secured considered good unless otherwise stated)			
Loans to Associates - Considered good	287,127,858	279,328,446	272,364,684
Total	287,127,858	279,328,446	272,364,684
Other Financial Assets at Amortised Cost			
Rental and other deposits	15,168,326	15,521,883	15,225,074
Deposits with Government agencies	12,372,727	24,827,172	22,160,236
Non-current bank balances (> 12 months)	159,745,583	226,516,994	195,000,000
Total	187,286,636	266,866,049	232,385,310

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

SOUTH ASIA FM LIMITED

Notes to Standalone Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees unless otherwise stated)

Note 7. Tax Assets/(Liabilities)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Non-Current Tax Assets			
Advance income tax (net of provision)	99,597,578	67,043,357	52,009,321
Total	99,597,578	67,043,357	52,009,321

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2017***(All amounts are in Indian Rupees unless otherwise stated)***Note 8 Other Current and Non-Current Assets****Other Non-Current Assets**

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Secured and considered good			
Balances with statutory/government authorities	279,623,765	6,886,564	3,362,586
Unsecured and considered good			
Capital advances	296,402,417	7,003,150	2,117,614
Prepaid expenses	41,985,938	2,077,427	3,412,043
Gratuity	-	1,480,561	2,057,826
Others	12,374,959	24,382,817	23,800,538
Total	630,387,078	41,830,518	34,750,608

Other Current Assets

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Prepaid expenses	54,115,193	28,754,443	36,792,714
Total	54,115,193	28,754,443	36,792,714

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2017***(All amounts are in Indian Rupees unless otherwise stated)***Note 9 Trade Receivables****Trade and other receivables (current)**

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Trade receivables	406,830,418	346,706,110	287,300,687
Total	406,830,418	346,706,110	287,300,687

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

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Outstanding for a period exceeding six months from the date they are due for payment			
Trade receivables			
Secured, considered good	-	83,482,472	67,234,915
Unsecured, considered good	-	-	-
Doubtful	-	2,880,389	11,563,165
	-	86,362,861	78,798,080
Provision for doubtful receivables	-	-2,880,389	-11,563,165
	-	83,482,472	67,234,915
Other receivables			
Secured, considered good	-	263,223,639	220,065,772
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	-	263,223,639	220,065,772
Provision for doubtful receivables	-	-	-
	-	263,223,639	220,065,772
Total trade receivable	-	346,706,111	287,300,687

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer Note 32.

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, 2017

(All amounts are in Indian Rupees unless otherwise stated)

Note 10 Financial assets (Current)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Investments in Debt Instruments at fair value through profit or loss (FVTPL):			
HDFC Floating Rate Income Fund	58,246,921	55,136,292	52,138,380
5777948.56 Units (Previous Year 5469381.90 Units)			
IDFC Money Manager Fund Investment Plan Weekly Dividend	5,966,619	5,637,156	5,335,001
583749.30 Units (Previous Year 551516.03 Units)			
IDFC Money Manager Fund investment Plan Daily Dividend	50,543,184	47,658,795	45,124,517
4962219.60 Units (Previous Year 4707738.95 Units)			
ICICI Prudential Short Term Regular Plan - Growth Option	13,771,711	11,554,893	11,554,893
403600.92 Units (Previous Year 403600.919 Units)			
ICICI Prudential Savings Fund Direct Plan Growth	9,988,473	8,338,947	8,338,947
39670.77 Units (Previous Year 39670.77 Units)			
TATA Floater Fund Plan A Growth	29,021,322	26,820,795	24,730,055
11772.77 Units (Previous Year 11772.765 Units)			
Tata Bond Fund Regular Plan Growth	6,326,739	5,828,480	5,402,639
206969.92 Units (Previous Year 206969.919 Units)			
HDFC Floating Rate Income Plan - Short Term Plan - Wholesale Option - Growth	-	30,473,416	-
Nil Units (Previous Year 1170083.31)			
HDFC Liquid Fund - Direct Plan Growth Option	-1	22,624,577	-
Nil Units (Previous Year 7566.25 Units)			
DHFL Pramerica Insta Cash Plus Fund - Direct Plan Growth	0	40,163,690	-
Nil Units (Previous Year 205256.93 Units)			
IDFC Money Manager Fund Investment Plan - Growth (Regular Plan)	-	15,201,383	-
Nil units (Previous Year 648158.15 Units)			
SBI Ultra Short Term Debt Plan - Regular Plan - Growth	-1	30,443,306	-
Nil Units (Previous Year 15634.19 Units)			
ICICI Prudential Money Market Fund - Direct Plan - Growth	0	10,090,876	-
Nil units (Previous Year 48151.21 Units)			
IDFC Cash Fund Growth (direct Plan)	-1	22,696,895	-
Nil Units (Previous Year 12323.079 Units)			
DHFL Pramerica banking PSU Debt Fund - Direct Plan - Growth	20,102,071	-	-
1396326.27 Units (Previous Year Nil Units)			
DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth	20,274,679	-	-
1019217.34Units (Previous Year Nil Units)			
Total	214,241,717	332,669,498	152,624,431
Aggregate book value of quoted investments	196,981,098	327,144,788	151,273,638
Aggregate market value of quoted investments	214,241,717	332,669,498	152,624,431
Aggregate value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-
Other Financial Assets at Amortised Cost			
Interest accrued fixed deposits	2,373,108	5,581,111	1,923,501
Other receivables (from Related Parties)	25,847	37,645	63,765
Interest Receivable	48,938,463	48,938,463	23,147,998
Total	51,337,418	54,557,219	25,135,264

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2017***(All amounts are in Indian Rupees unless otherwise stated)***Note 11 Cash and Cash Equivalents**

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Balances with banks:			
- On current accounts	49,153,394	43,255,180	25,519,034
Cash on hand	113,184	79,202	101,569
Total	49,266,578	43,334,382	25,620,603
Bank Balances Other than Cash and Cash Equivalent			
Deposits with original maturity for more than 3 months but less than 12 months	328,383,492	1,838,711,226	86,263,163
Total	328,383,492	1,838,711,226	86,263,163

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

(All amounts are in Indian Rupees unless otherwise stated)

Note - 12. Equity Share Capital

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Authorised Capital			
401,000,000 Equity Shares of INR 10 each fully paid up (31-Mar-2016: 401,000,000 Equity Shares of INR 10 each fully paid up, 01-Apr-2015: 251,000,000 Equity Shares of INR 10 each fully paid up)	4,010,000,000	4,010,000,000	2,510,000,000
Issued, Subscribed and Paid-up Capital			
381,859,817 Equity Shares of INR 10 each fully paid up (31-Mar-2016: 381,859,817 Equity Shares of INR 10 each fully paid up, 01-Apr-2015: 250,359,817 Equity Shares of INR 10 each fully paid up)	3,818,598,170	3,818,598,170	2,503,598,170
	3,818,598,170	3,818,598,170	2,503,598,170
(i) Reconciliation of the number of shares outstanding:			
At the beginning of the year	381,859,817	250,359,817	250,359,817
Issued during the year	-	131,500,000	-
Outstanding at the end of the year	381,859,817	381,859,817	250,359,817

(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, 2017, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL /- share (March 31, 2016: Rs. NIL /- share; March 31, 2015: Rs. NIL /- share)

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

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

	As at 31-Mar-2017		As at 31-Mar-2016	
	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, 2017

Note 13 Other Equity

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Compulsorily Convertible Non - Cumulative Preference Shares classified as Equity	2,335,006,830	2,335,006,830	2,335,006,830
Share Premium	1,315,000,000	1,315,000,000	-
Retained earnings	-320,084,238	-806,169,648	-1,239,230,151
Total	3,329,922,592	2,843,837,182	1,095,776,679

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 14 Other Financial Liabilities (Non-Current)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Other financial liabilities at amortised cost			
Loan from CUB	120,001,000	-	-
Rental deposit	20,000	20,000	70,000
Total	120,021,000	20,000	70,000

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2017****15. Trade Payables**

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Trade Payables	307,208,900	241,616,019	188,587,946
Total	307,208,900	241,616,019	188,587,946

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 on 45 day terms

For terms and conditions with related parties, refer to Note 37

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 16 Other Financial Liabilities (Current)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Other financial liabilities at amortised cost			
Current maturities of long term debt	120,000,000	-	-
Payable to employees	8,300,000	7,500,000	7,500,000
Outstanding liabilities	1,978,936	3,900,839	2,450,423
Rent payable	475,581	336,769	292,472
Interest Payable	2,153,143	-	-
Total	132,907,660	11,737,608	10,242,895

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 17 Other Current Liabilities

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Statutory Dues	7,691,983	7,217,023	5,311,663
Advances from customers	7,641,534	7,763,101	7,599,447
Other Liabilities	2,693,842	2,223,323	3,017,163
Total	18,027,359	17,203,446	15,928,273

KAL RADIO LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 18. Provisions

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Short-term provisions			
Provision for leave encashment	4,510,732	1,610,411	-
Total	4,510,732	1,610,411	-

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Long-term provisions			
Provision for gratuity	3,446,370	-	-
Provision for leave encashment	4,250,189	4,409,808	-
Total	7,696,559	4,409,808	-

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 19 Revenue from Services

	31/Mar/17	31/Mar/16
Revenues from services		
Advertising income	1,089,808,825	898,622,257
Total	1,089,808,825	898,622,257

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

Note 20. Other Income

	31/Mar/17	31/Mar/16
Dividend income on current investments	6,101,627	5,871,149
Net gain on sale of current investments	5,451,815	-1,350,793
Fair Value Gain on Financial Instruments at FVTPL(net)	11,238,683	5,524,710
Liabilities / provisions not required written back	2,124,421	13,340,794
Miscellaneous Income	588,320	473,663
Total	25,504,866	23,859,524

Note 21. Finance Income

	31/Mar/17	31/Mar/16
Interest income		
- on bank deposits	100,964,747	83,600,719
- on loans to associates	199,092,759	154,175,778
- on others	-	-
Financing component of trade receivable	-	-
Total	300,057,506	237,776,497

SOUTH ASIA FM LIMITED
Notes to Financial Statements for the year ended 31 March, 2017

Note 22. Cost of Revenues

	31/Mar/17	31/Mar/16
Program production expenses	111,647,525	96,232,367
Licenses	150,307,469	99,045,507
Others	132,199	95,735
Total	262,087,193	195,373,609

SOUTH ASIA FM LIMITED
Notes to Financial Statements for the year ended 31 March, 2017

Note 23. Employee Benefit Expense

	31/Mar/17	31/Mar/16
Salaries, wages and bonus	228,137,788	191,214,649
Gratuity expense (Refer note 35)	4,528,031	2,208,842
Leave Encashment	2,740,702	6,020,219
Contributions to provident fund and other funds	16,116,168	13,806,418
Staff welfare expense	1,651,887	1,493,817
Total	253,174,575	214,743,946

Note 24. Other Expense

	31/Mar/17	31/Mar/16
Legal and professional fees (Refer details below for payments made to auditors)	63,251,721	20,881,568
Travel and conveyance	8,145,005	5,558,518
Rent	29,840,652	28,913,904
Electricity expense	41,373,840	42,648,089
Power and fuel	6,514,594	6,504,694
Repairs and maintenance		
- Building	-	72,000
- Plant and machinery	6,442,951	6,704,876
- Others	8,989,714	7,334,317
Communication	9,172,296	7,233,475
Corporate Social Responsibility	3,962,500	1,607,906
Utilities	15,201,897	14,024,080
Insurance	1,022,908	719,363
Bad debts written off	326,314	10,005,914
Provision for doubtful debts	9,910,778	2,261,450
Loss on sale of assets (net) / assets scrapped	349,185	655,367
Rates and taxes	3,394,986	657,907
Miscellaneous expenses	1,159,687	1,073,618
Total	209,059,027	156,857,047

Payment to auditor

	31/Mar/17	31/Mar/16
As auditor:		
Audit fee	100,000	100,000
Limited review	-	-
Service Tax	-	-
In other capacity:		
Other services (certification fees)	-	460,000
Reimbursement of expenses	-	-
Total	100,000	560,000

Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Company during the year 4,798,187 86,090,081

Amount Spent during the year on :

	Paid	Yet to be paid	Total
Construction/acquisition of any asset	3,962,500	-	3,962,500
On purposes other than above	-	-	-
	-	-	-
Contribution made to Related Parties:	-	-	-

Note 25. Advertisement & marketing expense

	31/Mar/17	31/Mar/16
Advertisement and marketing expenses	44,659,874	55,696,854
Total	44,659,874	55,696,854

Note 26. Depreciation and amortization expense

	31/Mar/17	31/Mar/16
Depreciation of tangible assets (Note 3)	25,723,355	21,512,640
Amortization of intangible assets (Note 4)	122,603,663	79,494,524
Depreciation on Investment Properties (Note 5)	-	-
Total	148,327,018	101,007,164

Note 27. Finance Costs

	31/Mar/17	31/Mar/16
Interest		
- on loans against deposits	-	-
- others	6,027,877	97,435
Bank charges	470,019	449,066
Total	6,497,896	546,501

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

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 2017

	opening	During the year	
	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

During the year ended 31 March 2016

	FVTOCI reserve	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	-	2,972,654	2,972,654
Others (if any)	-	-	-
	-	2,972,654	2,972,654

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the year ended 31 March, 2017****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:

	31-Mar-17	31-Mar-16
Profit after tax (Rs. in crores)	491565614.6	436033156.9
Weighted average number of shares		
- Basic	381859817	307127577
- Diluted	405209885	330477645
Earning per share of Rs.10/- each		
- Basic	1.29	1.42
- Diluted	1.21	1.32

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

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, 2017	Year ended March 31, 2016
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	15,668,101	13,409,599

Statement of Profit and Loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<i>Recognized in profit or loss:</i>		
Current service cost	4,849,728	2,176,706
Interest cost on benefit obligation	-321,697	-334,144
<i>Recognized in other comprehensive income:</i>		
Remeasurement gains/(losses) in other comprehensive income arising from changes in	3,672,627	-
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial	3,191,944	-
Experience adjustments	(1,336,674)	3,089,962.00
Return on Plan Assets (Greater) / Less than Discount rate	(47,693)	(117,308.00)
Recognized in other comprehensive income	5,480,204	2,972,654
Net benefit expense	10,008,235	4,815,216

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	19,814,702	11,719,865
Fair value of plan assets	16,368,332	13,200,426
Plan Liability / (Asset)	3,446,370	-1,480,561

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

Particulars	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	11,719,865	8,448,668
Current service cost	4,849,728	2,176,706
Interest cost	813,729	573,149
Actuarial (gains) / losses on obligation	5,527,897	3,089,962
Benefits paid	-3,096,517	-2,568,620
Closing defined benefit obligation	19,814,702	11,719,865

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

Particulars	As at March 31, 2017	As at March 31, 2016
Fair value of planned assets at the beginning of the year	13,200,426	10,506,494
Expected return on plan assets	1,135,426	907,293
Contributions	5,081,304	4,237,951
Benefits paid	-3,096,517	-2,568,620
Actuarial gain / (loss) on plan assets	47,693	117,308
Fair value of plan assets at the end of the year	16,368,332	13,200,426

The experience adjustments on plan liabilities and assets, and net (surplus) / deficit for the years ended March 31, 2013, March 31, 2014 and March 31, 2015 are as follows:

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation at the end of the period	12,352,002	5,159,719	3,100,917
Fair value of plan assets	7,672,017	4,988,516	3,774,337
Net deficit	-4,679,985	-171,203	673,420

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

Particulars	As at March 31, 2017	As at March 31, 2016
Discount rate	6.72%	8%
Expected rate of return on assets	8%	8%
Employee turnover	16%	2%

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, 2017

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

	Gratuity plan		
	31/Mar/17	31/Mar/16	1-Apr-15
Investments details			
Funds with LIC	16,368,332	13,200,426	10,506,494
Total	16,368,332	13,200,426	10,506,494

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

Gratuity plan:

Assumptions	31/Mar/17	31/Mar/16	31/Mar/17	31-Mar-16
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	-1,186,990	1,914,960	-3,273,873	-10582454

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

	31/Mar/17	31-Mar-16
Within the next 12 months (next annual reporting period)	2,893,840	332507
Between 2 and 5 years	7,675,557	1195994
Between 5 and 10 years	4,616,664	1797408
Total expected payments	15,186,061	3325909

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

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 2,78,00,894 (31 March 2016: INR 2,70,83,723) during the year towards minimum lease payment.

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

	31-Mar-17	31-Mar-16	1-Apr-15
Within one year	25,673,607	26,408,954	24,220,765
After one year but not more than five years	91,160,699	46,495,385	44,288,559
More than five years	84,738,326	24,369,494	18,366,237
	201,572,632	97,273,833	86,875,561

b) Contingent Liabilities

a) Claims related to Service Tax

b) Others

Guarantee Issued by bank on behalf of company

Claims against the company not acknowledged as debt

	31-Mar-17	31-Mar-16
a) Claims related to Service Tax	-	-
b) Others		
Guarantee Issued by bank on behalf of company	159,745,583.00	18,311,423.00
Claims against the company not acknowledged as debt	1,008,242.00	1,008,242.00

South Asia FM Limited

Notes to Standalone Financial Statements for the year ended March 31, 2017

(All amounts are in crores of 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 Standalone Financial Statements for the year ended March 31, 2017

(All amounts are in crores of 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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	
Rental Income Sun Direct TV Pvt Ltd	-	-	-	276,025	473,663	-	-	-	-	-	-	-	
Other Income A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	-	-	32,519,413	32,754,227	-	-	-	-	

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, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Rent Expense Sun Tv Network Limited	1,247,537	1184475	-	-	-	-	-	-
Advertisement expenses Sun Tv Network Limited	-	25,000,000	-	-	-	-	-	-
Business Support Services Sun Tv Network Limited	1,336,746	1,352,855	-	-	-	-	-	-

Particulars	Holding Company			Enterprises in which Key Management personnel or their relatives have significant influence			Subsidiaries / Joint Venture		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Balances Outstanding:									
Other Receivables Sun Direct TV Pvt Limited	-	-	-	15,750	37,646	63,765			

South Asia FM Limited

Notes to Standalone Financial Statements for the year ended March 31, 2017

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

Investments									
Metro Digital Networks (Hyd) P Ltd							1,000,544,897	962,860,823	929,214,329
Deccan Digital Networks (Hyd) P Ltd							975,829,964	928,677,240	886,576,592
A.V.Digital Networks (Hyd) P Ltd							421,912,360	409,547,273	398,507,017
Pioneer Radio Training Services P Ltd							28,595,000	28,595,000	28,595,000
Asia Radio Broadcast P Ltd							28,595,000	28,595,000	28,595,000
Optimum Media Services P Ltd							1,124,519,707	1,059,608,755	28,595,000
Loans & Advances									
A.V.Digital Networks (Hyd) P Ltd	287,127,858	279,328,446	272,364,684						
Rental and other deposits									
Sun Direct TV Pvt Limited	-			20,000	20,000	70,000			
Accounts Payable / Other Current Liabilities									
Sun Tv Network Limited	331,020	226,168	255,438						

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

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 2017:

	Date of Valuation	Total	Fair Value Measurement using		
			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:					
Quoted Equity Shares	31/Mar/17	-	-	-	-
Quoted Mutual Funds	31/Mar/17	214,241,717	214,241,717	-	-
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.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			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:					
Quoted Equity Shares	31/Mar/16	-	-	-	-
Quoted Mutual Funds	31/Mar/16	2,358,275,336	2,358,275,336	-	-
Assets for which fair values are disclosed:					
Investment Properties	31/Mar/16	-	-	-	-

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 1 April, 2015:

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			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:					
Quoted Equity Shares	01/Apr/15	-	-	-	-
Quoted Mutual Funds	01/Apr/15	152,624,431	152,624,431	-	-
Assets for which fair values are disclosed:					
Investment Properties	01/Apr/15	-	-	-	-

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

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Notes to Financial Statements for the year ended 31 March, 2017

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. The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of interest-bearing financial liabilities affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate liabilities, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-17		
INR	100	-574,658
INR	-100	574,658
31-Mar-16		
INR	-	-
INR	-	-

Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

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.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 March 2017, the Company had xx customers (31 March 2016: xx customers, 1 April 2015: xx customers) that owed the Company more than INR xxx crores each and accounted for approximately xx% (31 March 2016: xx%, 1 April 2015:xx%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note XX. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note XX.

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-17						
Other financial liabilities	-	132,907,660	-	120,021,000	-	252,928,660.00
Trade and other payables	-	325,236,252	-	-	-	325,236,252
	-	458,143,912	-	120,021,000	-	578,164,912
Year ended						
31-Mar-16						
Other financial liabilities	-	11,737,600	-	20,000	-	11,757,600.00
Trade and other payables	-	258,819,465	-	-	-	258,819,465
	-	270,557,065	-	20,000	-	270,577,065
As at 1 April 2015						
Other financial liabilities	-	10,242,890	-	70,000	-	10,312,890.00
Trade and other payables	-	204,516,219	-	-	-	204,516,219
	-	214,759,109	-	70,000	-	214,829,109

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

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. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 3% and 7%. The Company includes within net debt, trade and other payables, less cash and cash equivalents.

	31-Mar-17	31-Mar-16	1/Apr/15
Trade payables	307,208,892	241,616,019	188,587,946
Other payables	270,956,019	28,961,046	26,241,163
Less: cash and cash equivalents	-49,266,578	-43,334,382	-25,620,603
Net debt	528,898,334	227,242,683	189,208,505
Equity	7,148,520,762	6,662,435,352	3,599,374,849
Total capital	7,148,520,762	6,662,435,352	3,599,374,849
Capital and net debt	7,677,419,096	6,889,678,035	3,788,583,354
Gearing ratio	7%	3%	5%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

SOUTH ASIA FM LIMITED
Notes to Financial Statements for the year ended 31 March, 2017

Note 36. Disclosure On Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	124000	34834	158834
(+) Permitted receipts	199835	1214375	1414210
(-) Permitted payments	0	(1028619)	(1028619)
(-) Amount deposited in Banks	(323835)	0	(323835)
Closing cash in hand as on 30.12.2016	0	220590	220590

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 37. CIF Value of Imports

	Year ended March 31, 2017	Year ended March 31, 2016
Capital Goods	24,340,633	-

Note 37. Expenditure in Foreign Currency

	Year ended March 31, 2017	Year ended March 31, 2016
Production Expenses	77,875	-
Travelling Expenses	27,430	9,270

Note 38. Prior year comparatives

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

As per our report of even date.

For and on behalf of board of directors of South Asia FM Limited

N Priya

K SHANMUGAM

J RAVINDRAN

C VENKATESH

Chartered Accountant
Membership No :223834

Managing Director

Director

Company Secretary

Place:Chennai

Date : May 24, 2017