

# **SOUTH ASIA FM LIMITED**



**ANNUAL REPORT 2019**



## SOUTH ASIA FM LIMITED



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### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

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

#### COMPANY SECRETARY

Mr.C.Venkatesh

#### STATUTORY AUDITOR

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

#### PRINCIPAL BANKER

City Union Bank Limited

#### REGISTERED OFFICE

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



## SOUTH ASIA FM LIMITED



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## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report for the year ended March 31, 2019 together with the Balance Sheet and the Profit and Loss account Statement for the year ended on that date.

### FINANCIAL HIGHLIGHTS

Particulars	<i>(Rupees in Lakhs)</i>	
	March 31, 2019	March 31, 2018
Revenues	14099.04	13094.07
Other Income	2081.55	2650.94
<b>Total Income</b>	<b>16180.59</b>	<b>15745.01</b>
Expenditure (Excluding interest, depreciation & amortization)	10838.89	9242.73
<b>Earning before interest, tax, depreciation &amp; amortization (EBITDA)</b>	<b>5341.70</b>	<b>6502.28</b>
Finance Costs	2.60	83.12
Depreciation and amortization	2036.37	1731.12
<b>Earning before taxation (EBT)</b>	<b>3302.73</b>	<b>4688.04</b>
Current Tax	759.09	1041.23
Fringe Benefit Tax (FBT)	-	-
<b>Profit/(Loss) for the year</b>	<b>2543.64</b>	<b>3646.81</b>

### OPERATIONS

The financial year 2018-2019 was significant for the Company in terms of growth; the broadcasting revenue of the company has increased by 8% to Rs.14099.04 Lakhs from Rs.13094.07 Lakhs of the previous year.

Your Company has achieved profit before tax of Rs.3302.73 Lakhs in the financial year 2018-19 as against Rs.4688.04 Lakhs in the previous year.

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

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

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

## **DIVIDEND**

In view of carry forward of previous year losses, the Board of Directors had decided not to recommend any dividend for the current financial year 2018-2019.

## **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 2018-19 which is mentioned in Annexure - C of this report in the form AOC-2, are given in the notes to Financial Statements.

## **BUSINESS REVIEW**

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

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

## **DIRECTORS**

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

## **DECLARATION BY INDEPENDENT DIRECTOR**

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

## **MEETINGS OF THE BOARD**

During the Financial Year 2018-2019, the Board met 4 times on:

<b>S No.</b>	<b>Dates of Meeting of the Board</b>	<b>Quarter</b>	<b>No of directors on the date of meeting</b>	<b>Total no of directors attended</b>
1	02/05/18	Apr-June	5	5
2	26/07/18	July-Sep	5	4
3	29/10/18	Oct-Dec	5	5
4	25/01/19	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:

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

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

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

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

The Composition of CSR Committee is as follows:

Mr. J.Ravindran - Chairman of the Committee

Mr.K.Shanmugam - Member of the Committee

Mr. Donakanti Arjun Rao - Member of the Committee

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

## **NOMINATION AND REMUNERATION COMMITTEE**

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

## AUDITORS

The Board appointed Ms.N.Priya [Membership No: 223834] Chennai as Statutory Auditor for A Period of 4 years commencing from Financial Year 2017-18. The Board of Directors of the Company be and hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors

## INTERNAL AUDIT

Pursuant to the provisions of section 138 of the Companies Act, 2013, such class or classes of companies shall be required to appoint an internal auditor to conduct internal audit of the functions and activities of the Company. Since our Company is covered under the above criteria, we had already appointed internal auditor for the financial year 2018-19.

## 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 2018-19.

## 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, 2019.

## SUBSIDIARIES OR ASSOCIATE COMPANIES

The following are the list of Subsidiaries, and Associates during the financial year 2018-19.

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. 102.59 Lakhs/- (Previous Year Rs. 364.55 Lakhs 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 2018-19, 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, 2019 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 2019, the committee did not receive any complaints pertaining to sexual harassment.

### **HUMAN RESOURCES**

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

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

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

The Company participated in the Batch-2 of Phase-III FM radio auction during the financial year 2016-17 and the Company was the successful bidder in 7 cities (Dehradun/Muzzafarpur/Agartala/Jhansi/Leh/Dhule/Nanded). The company has operationalized 5 FM Stations out of the above 7 except for Agartala & Leh during the financial year 2018-19.

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

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

### **APPRECIATIONS AND ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude and wish to place on record their deep appreciation for the valuable assistance and kind co-operation extended to the Company by the Company's

Bankers, Financial Institution, Governmental Authorities, Statutory Authorities, Advertisement Agencies, Customers, Suppliers, Advisors, Shareholders and the Employees for their continuous support and faith reposed in the Company.

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

For and on behalf of the Board of Directors

Place : Chennai  
Date : 15-May-2019

**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. 4654.67 Lakhs

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

The Company is required to spend Rs.93.09 Lakhs towards CSR.

5. Details of CSR spend during the financial year:

- Total amount to be spent for the financial year – Rs. 93.09 Lakhs.
- Amount unspent, if any – Rs.18.62 Lakhs (Schemes identified and will be spent during 2019-20)
- The manner in which the money is spent is given below

(Rs/Lakhs)							
S.No.	Projects/Services	Relevant Section of Schedule VII in which the Project is covered (Note 1)	Locations	Amount Outlay (Budget Projects or Program wise)	Amount Spent on the Project or Programs	Cumulative Expr. Upto the reporting periods	Amount Spent Direct or through implementing agency
1	Sun Foundation	(ii)	Chennai	74.47	74.47	74.47	Agency
	<b>Total</b>			<b>74.47</b>	<b>74.47</b>	<b>74.47</b>	

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

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

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

- (i) Promoting preventive and general health care and sanitation;
- (ii) Promoting education by providing financial assistance to deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled; promoting livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (vii) Contributing to rural development projects; and
- (viii) Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

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

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

### **(c) Expenditure:**

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

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

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

**(d) Monitoring Process:**

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

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**ANNEXURE B**

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

**As on the financial year ended on 31/03/2019**

**[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 :-**

<b>S.No</b>	<b>Name and address of the company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares Held (Direct &amp; Indirect)</b>	<b>Applicable Section</b>
<b>1</b>	Deccan Digital Networks (Hyderabad) Private Limited	U72200TG2005PTC048589	Associate	28.99%	
<b>2</b>	Metro Digital Networks (Hyderabad) Private Limited	U72200TG2005PTC048619	Associate	28.99%	
<b>3</b>	AV Digital Networks (Hyderabad) Private Limited	U92111TG2005PTC048588	Associate	28.99%	
<b>4</b>	Pioneer Radio Training Services Private Limited	U80302DL2005PTC143205	Associate	48.89%	
<b>5</b>	Optimum Media Services Private Limited	U74899DL2005PTC143204	Associate	48.89%	
<b>6</b>	Asia Radio Broadcast Private Limited	U92131TN2005PTC058222	Associate	48.89%	
<b>7</b>	Digital Radio (Delhi) Broadcasting Limited	U74140DL2000PLC107734	Associate	48.89%	
<b>8</b>	Digital Radio (Mumbai) Broadcasting Limited	U92111DL2000PLC107736	Associate	48.89%	
<b>9</b>	Digital Radio (Kolkata) Broadcasting Limited	U74140DL2000PLC107732	Associate	48.89%	
<b>10</b>	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	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(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....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	-	<b>22,91,15,888</b>	<b>22,91,15,888</b>	<b>60.00</b>		<b>22,91,15,888</b>	<b>22,91,15,888</b>	<b>60.00</b>	-
<b>(2)</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	<b>22,91,15,888</b>	<b>22,91,15,888</b>	<b>60.00</b>		<b>22,91,15,888</b>	<b>22,91,15,888</b>	<b>60.00</b>	-

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>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(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									
<b>Sub-Total (B)(1)</b>									
<b>(2)</b>									
<b>a) Bodies Corporate</b>									
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
<b>(a) Individuals</b>		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									
<b>Sub-Total (B)(2)</b>		15,27,43,925	15,27,43,925	40.00		15,27,43,925	15,27,43,925	40.00	NIL
<b>Total Public Shareholding = (B) (1) + (B) (2)</b>									
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>		-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		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	-
	<b>Total</b>	<b>229115888</b>	<b>60.00</b>	<b>NIL</b>	<b>229115888</b>	<b>60.00</b>	<b>NIL</b>	<b>0.00</b>

*(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
	<b>Directors</b>				
1	<b>Mr. K.Shanmugam</b>				
	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	<b>Mr.J.Ravindran</b>				
	At the beginning of the year				
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>Mr. R. Donakanti Arjun Rao</b>				
	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		-		
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in indebtedness during the year				
Addition		-		
Reduction				
Net Change				
Indebtedness at the end of the Financial year				
(i) Principal Amount		-		
(ii) Interest due but not paid				
(iii) Interest accrued but not due		-		
<b>Total (i+ii+iii)</b>		-		

**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
		<b>Mr.K.Shanmugam</b>	
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
<b>Total (A)</b>		<b>NIL</b>	<b>NIL</b>
<b>Ceiling as per the Act</b>			

***B. Remuneration to other Directors:***

S.No.	Particulars of Remuneration	Name of the Directors		Total Amount
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)			
	<b>Total (B) = (1)+(2)</b>	-	-	-
	<b>Total Managerial Remuneration Overall Ceiling as per the Act</b>	-	-	-

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

S.No	Particulars of Remuneration	Key Managerial Personnel (Rs in Lakhs)
		Company Secretary
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.96
(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	-
<b>Total (A)</b>		<b>48.96</b>

**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					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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.

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## **INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

I have audited the accompanying standalone Ind AS financial statements of **M/s. South Asia FM Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2019, 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 (hereinafter referred to as "the standalone Ind AS financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Profit and total comprehensive income, Cash Flow and changes in Equity for the year ended on that date.

### **Basis of Opinion**

I conducted the audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to the audit of the standalone Ind AS financial statements

under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key Audit Matters are those matters that, in my professional judgement, were of most significance in my audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of my audit of the Standalone Ind AS Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

My objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

### **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 my knowledge and belief were necessary for the purposes of my 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 my examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity dealt with this Report are in agreement with the relevant books of account.

d. In my opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act.

e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, as amended, in my opinion and to the best of the information and according to the explanations given to me:

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Place : Chennai  
Date : May 15, 2019

(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 standalone Ind AS financial statements of the Company for the year ended March 31, 2019:

1) In respect of the Company's fixed assets:

(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) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a) and (b) of the order are not applicable to the company and hence not commented upon.

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 as applicable.

5) The Company has not accepted any deposits from the public during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore provisions of the clause 3(v) of the Order are not applicable to the company.

6) I have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and is of the opinion that prima facie, the specified accounts and records have been made and maintained. I have not, however made a detailed examination of such records with a view to determine whether they are accurate or complete.

7) According to information and explanations given to me in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax, Cess and any other material statutory dues with the appropriate authorities.

(b) 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, 2019 for a period of more than six months from the date on when they become payable.

8) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

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.

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) In my opinion and according to the information and explanations given to me, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is 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 section 192 of the Companies Act, 2013 are not applicable to the Company and hence not commented upon.

16) 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.

Place : Chennai  
Date : May 15, 2019

(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, 2019 in conjunction with the audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 standalone Ind AS financial statements, whether due to fraud or error.

I believe that the audit evidence I 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, to the best of my information and according to the explanations given to me, 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, 2019, 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.

Place : Chennai  
Date : May 15,2019

(N. Priya)  
Chartered Accountant  
Membership # 223834



**SOUTH ASIA FM LIMITED**

**Standalone Balance Sheet as at 31st March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	3	25,82,12,522	19,39,71,662
Capital Work-in-Progress		1,64,21,532	2,03,89,603
Intangible assets	4	1,65,48,11,319	1,57,66,13,997
<b>Financial Assets</b>			
Investments in Associate Companies	5	2,58,45,82,034	2,56,43,43,332
Investments in Joint Ventures	5	1,27,86,44,270	1,19,72,19,972
Loans	6	30,56,46,787	29,58,63,203
Other Financial Assets	6	2,43,08,156	2,76,00,195
Tax Assets	7	8,47,02,067	9,57,73,617
Deferred tax assets (Net)		-	-
Other non current assets	8	9,81,97,175	36,98,94,132
		<b>6,30,55,25,862</b>	<b>6,34,16,69,713</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
<b>Loans</b>			
Trade receivables	9	49,32,83,024	52,30,80,195
Investment	10	39,19,76,690	29,38,29,956
Other Financial Assets	10	5,31,43,192	5,20,06,245
Tax Assets	7	1,44,85,535	-
Cash and Cash Equivalents	11.1	6,45,48,513	6,67,27,109
Bank Balances Other than Cash and Cash Equivalents	11.2	79,89,67,986	41,53,84,634
Other current assets	8	17,43,49,090	29,99,74,550
		<b>1,99,07,54,030</b>	<b>1,65,10,02,689</b>
<b>Total Assets</b>		<b>8,29,62,79,892</b>	<b>7,99,26,72,402</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	3,81,85,98,170	3,81,85,98,170
<b>Other Equity</b>			
General Reserve		-	-
Other Reserves	13	3,94,24,45,789	3,69,07,54,859
<b>Equity attributable to the equity holders of the parent</b>		<b>7,76,10,43,959</b>	<b>7,50,93,53,029</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>7,76,10,43,959</b>	<b>7,50,93,53,029</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	15.1	39,37,29,028	32,30,86,252
Other financial liabilities	14	3,90,830	2,96,150
Provisions	18	1,51,72,760	88,89,194
		<b>40,92,92,618</b>	<b>33,22,71,596</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	2,26,74,578	1,83,78,851
Other current financial liabilities	16	5,83,35,180	5,66,19,546
Tax liability	7	-	2,53,07,480
Other Current Liabilities	17	3,28,25,357	3,95,15,564
Provisions	18	1,21,08,200	1,12,26,336
<b>Total Liabilities</b>		<b>12,59,43,315</b>	<b>15,10,47,777</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,29,62,79,892</b>	<b>7,99,26,72,402</b>

Significant Accounting Policies

2

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

As per my report of even date

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

**N. PRIYA**

Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**  
Managing Director

**J. RAVINDRAN**  
Director

**C.VENKATESH**  
Company Secretary

Place: Chennai

Date: 15-May-2019

Place: Chennai

Date: 15-May-2019

**SOUTH ASIA FM LIMITED**

**Statement Of Profit And Loss for the year ended 31st March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
<b>Income</b>			
Revenue from Operations	19	1,40,99,04,362	1,30,94,07,044
Other Income	20	2,52,92,258	1,27,94,577
Finance Income	21	18,28,62,724	25,05,48,326
<b>Total Income</b>		<b>1,61,80,59,344</b>	<b>1,57,27,49,947</b>
<b>Expenses</b>			
Costs of revenues	22	37,13,61,291	34,39,26,475
Employees' benefits expense	23	43,84,31,889	34,25,89,629
Other expenses	24	23,82,57,519	21,92,62,816
Advertisement and marketing expenses	25	3,58,38,618	1,67,42,194
Depreciation and amortization expense	26	20,36,37,246	17,31,12,314
Finance costs	27	2,60,139	83,12,571
<b>Total Expense</b>		<b>1,28,77,86,702</b>	<b>1,10,39,45,999</b>
<b>Profit(Loss) Before Tax</b>		<b>33,02,72,642</b>	<b>46,88,03,948</b>
Current Year		7,59,09,023	10,41,23,213
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		<b>7,59,09,023</b>	<b>10,41,23,213</b>
<b>Profit for the year</b>		<b>25,43,63,618</b>	<b>36,46,80,735</b>
<b>Other Comprehensive Income:</b>			
<b>(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Others (Specify nature)			-
Income tax effect			-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>-</b>	<b>-</b>
<b>(ii) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)	28	33,81,712	48,69,407
Income tax effect		(7,09,023)	(10,20,939)
		26,72,689	38,48,468
Others (Specify nature)		-	-
Income tax effect		-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>26,72,689</b>	<b>38,48,468</b>
<b>Other comprehensive income/(loss) for the year, net of tax (i+ii)</b>		<b>26,72,689</b>	<b>38,48,468</b>
<b>Total comprehensive income for the year</b>		<b>25,16,90,930</b>	<b>36,08,32,267</b>
<b>Earnings per Equity Share of INR 10 each</b>			
Basic profit from operations attributable to equity holders of the parent	29	0.67	0.96
Diluted profit from operations attributable to equity holders of the parent		0.63	0.90

Significant Accounting Policies

2

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

As per my report of even date

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

**N. PRIYA**

Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**  
Managing Director

**J. RAVINDRAN**  
Director

**C.VENKATESH**  
Company Secretary

Place: Chennai

Date: 15-May-2019

Place: Chennai

Date: 15-May-2019

**SOUTH ASIA FM LIMITED**

**Statement of Changes in Equity for the year ended 31 March 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**a. Equity Share Capital:**

Equity shares of INR 10 each issued, subscribed and fully paid	Number Of Shares	Amount
<b>At 31 March 2018</b>	38,18,59,817	3,81,85,98,170
Issue of share capital	-	-
<b>At 31 March 2019</b>	<b>38,18,59,817</b>	<b>3,81,85,98,170</b>

**b. Other equity**

**For the year ended 31 March 2019**

Particulars	Attributable to Equity holders of the parent				Items of OCI	Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve				
<b>As at 1st April 2018</b>	5,00,76,701	1,31,50,00,000	-	-	1,33,22,265	1,37,83,98,966	-	1,37,83,98,966
Profit for the period	25,43,63,618	-	-	-	-	25,43,63,618	-	25,43,63,618
Other comprehensive income	-	-	-	-	26,72,689	26,72,689	-	26,72,689
Total Comprehensive Income	30,44,40,319	1,31,50,00,000	-	-	1,59,94,954	1,63,54,35,273	-	1,63,54,35,273
Issue of share capital	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>30,44,40,319</b>	<b>1,31,50,00,000</b>	<b>-</b>	<b>-</b>	<b>1,59,94,954</b>	<b>1,63,54,35,273</b>	<b>-</b>	<b>1,63,54,35,273</b>

**For the year ended 31 March 2018**

Particulars	Attributable to Equity holders of the parent				Items of OCI	Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve				
<b>As at 1st April 2017</b>	(31,46,04,034)	1,31,50,00,000	-	-	84,52,858	1,00,88,48,824	-	1,00,88,48,824
Profit for the period	36,46,80,735	-	-	-	-	36,46,80,735	-	36,46,80,735
Other comprehensive income	-	-	-	-	48,69,407	48,69,407	-	48,69,407
Total Comprehensive Income	5,00,76,701	1,31,50,00,000	-	-	1,33,22,265	1,37,83,98,966	-	1,37,83,98,966
Issue of share capital	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>5,00,76,701</b>	<b>1,31,50,00,000</b>	<b>-</b>	<b>-</b>	<b>1,33,22,265</b>	<b>1,37,83,98,966</b>	<b>-</b>	<b>1,37,83,98,966</b>

**SOUTH ASIA FM LIMITED**
**Cash Flow Statement for the year ended 31 March 2019**
*(All amounts are in Indian Rupees unless otherwise stated)*

		Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
<b>Cash flow from operating activities</b>			
<b>Net profit before tax and extraordinary items</b>		33,02,72,642	46,88,03,948
Adjustments to reconcile:			
IND AS adjustments		(1,00,55,153)	(1,12,94,015)
Depreciation on tangible assets/investment property		6,61,84,562	4,68,20,820
Amortisation of intangible assets		13,74,52,684	12,62,91,494
Impairment of intangible assets		-	-
(Profit)/Loss on sale of fixed assets/investment property, net		(96,44,462)	(1,93,300)
Translation loss / (gain) on monetary assets and liabilities		-	-
Provision for doubtful debts/Movie advances and other Assets		(55,93,894)	1,71,91,948
Provision for litigations and claims		-	-
Bad debts written off		3,02,62,336	3,17,565
Liabilities / provisions no longer required written back		(18,33,400)	(3,13,040)
Interest income		(18,28,62,724)	(25,05,48,326)
Dividend income		(61,91,846)	(46,42,689)
Interest expense		2,60,139	83,12,571
<b>Operating profit before working capital changes</b>		<b>34,82,50,883</b>	<b>40,07,46,975</b>
Movements in working capital :			
(Increase) / Decrease in trade receivables		51,28,732	(13,37,59,284)
(Increase) / Decrease in inventories			
(Increase) / Decrease in other current assets/other financial assets		38,96,93,926	16,49,15,859
(Increase) / Decrease in loans and advances		-	-
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		7,18,92,010	(13,99,55,516)
Increase / (Decrease) in provisions		71,65,430	79,08,239
<b>Cash generated from operations</b>		82,21,30,981	29,98,56,273
Direct taxes paid (net of refunds)		10,46,30,488	7,49,91,772
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>A</b>	<b>71,75,00,493</b>	<b>22,48,64,501</b>
<b>Cash flow from investing activities</b>			
Purchase of PPE, capital work in progress (including capital advances) under development (including advances towards purchase of intangible assets)		(12,68,87,935)	(10,40,30,371)
Purchase of current investments		(21,56,50,006)	(1,01,57,634)
Sale of investments		(18,28,54,845)	(25,37,09,068)
Proceeds from sale of assets		-	-
Term deposits placed with banks during the year		5,02,620	6,15,800
Term deposits refunded from banks during the year			
Interest received		18,28,62,724	25,05,48,326
Dividends received		61,91,846	46,42,689
<b>Net cash from / (used in) investing activities (B)</b>	<b>B</b>	<b>(33,58,35,597)</b>	<b>(11,20,90,258)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of Equity Shares		-	-
Proceeds from Long Term Borrowings		-	-
Repayment of long term borrowings		-	-
Repayment of Short term borrowings (net)		-	-
Payment of dividend and tax thereon		-	-
Interest paid		(2,60,139)	(83,12,571)
<b>Net cash (used in) / from financing activities (C)</b>	<b>C</b>	<b>(2,60,139)</b>	<b>(83,12,571)</b>
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(A+B+C+D)</b>	<b>38,14,04,757</b>	<b>10,44,61,673</b>
<b>Opening balance of cash and cash equivalents</b>	<b>E</b>	<b>48,21,11,743</b>	<b>37,76,50,070</b>
<b>Closing balance of cash and cash equivalents</b>	<b>F</b>	<b>86,35,16,500</b>	<b>48,21,11,743</b>
Net increase / (decrease) in cash and cash equivalents	(F-E)	38,14,04,757	10,44,61,673
Earmarked Balances with Banks (*)	G		
<b>Closing cash and Bank Balance</b>	<b>(F+G)</b>	<b>38,14,04,757</b>	<b>10,44,61,673</b>

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

**As per my report of even date**
**For and on behalf of Board of Directors of South Asia FM Limited**

**N. PRIYA**  
Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**      **J. RAVINDRAN**      **C.VENKATESH**  
Managing Director      Director      Company Secretary

**Place: Chennai**  
**Date: 15-May-2019**

**Place: Chennai**  
**Date: 15-May-2019**

**SOUTH ASIA FM LIMITED**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

**Note 3 - Property Plant & Equipment**

	<b>Plant &amp; Machinery</b>	<b>Office Equipments</b>	<b>Furniture &amp; Fitting</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Gross Block</b>						
<b>At March 31, 2017</b>	<b>16,29,84,308</b>	<b>1,84,49,454</b>	<b>17,58,032</b>	<b>92,47,590</b>	<b>76,14,307</b>	<b>20,00,53,691</b>
Additions	4,17,17,560	1,25,23,698	16,04,265	3,01,69,947	20,75,201	8,80,90,671
Disposals	(4,51,634)	(2,45,909)	(22,910)	-	-	(7,20,453)
<b>At March 31, 2018</b>	<b>20,42,50,234</b>	<b>3,07,27,243</b>	<b>33,39,387</b>	<b>3,94,17,537</b>	<b>96,89,508</b>	<b>28,74,23,909</b>
Additions	8,67,74,641	1,09,92,832	12,48,656	2,35,38,339	83,01,538	13,08,56,006
Disposals	(2,75,915)	(5,05,087)	(9,766)	-	-	(7,90,768)
<b>At March 31, 2019</b>	<b>29,07,48,960</b>	<b>4,12,14,988</b>	<b>45,78,277</b>	<b>6,29,55,876</b>	<b>1,79,91,046</b>	<b>41,74,89,147</b>

<b>Depreciation</b>						
<b>At March 31, 2017</b>	<b>3,45,48,146</b>	<b>48,88,050</b>	<b>5,03,276</b>	<b>37,39,157</b>	<b>32,50,751</b>	<b>4,69,29,380</b>
Charge for the year	3,22,78,763	42,14,129	6,22,169	85,46,479	11,59,281	4,68,20,821
Disposals	(1,90,911)	(93,209)	(13,833)	-	-	(2,97,953)
<b>At March 31, 2018</b>	<b>6,66,35,998</b>	<b>90,08,970</b>	<b>11,11,612</b>	<b>1,22,85,636</b>	<b>44,10,032</b>	<b>9,34,52,248</b>
Charge for the year	4,36,95,206	50,49,213	7,27,293	1,46,49,319	20,63,531	6,61,84,562
Disposals	(98,308)	(2,55,550)	(6,327)	-	-	(3,60,185)
<b>At March 31, 2019</b>	<b>11,02,32,896</b>	<b>1,38,02,633</b>	<b>18,32,578</b>	<b>2,69,34,955</b>	<b>64,73,563</b>	<b>15,92,76,625</b>

**Net Block**

<b>At March 31, 2018</b>	<b>13,76,14,236</b>	<b>2,17,18,272</b>	<b>22,27,776</b>	<b>2,71,31,900</b>	<b>52,79,476</b>	<b>19,39,71,662</b>
<b>At March 31, 2019</b>	<b>18,05,16,064</b>	<b>2,74,12,355</b>	<b>27,45,699</b>	<b>3,60,20,921</b>	<b>1,15,17,483</b>	<b>25,82,12,522</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 4 - Intangible Assets**

	<b>Computer Software</b>	<b>Licenses</b>	<b>Total</b>
<b>Gross Block</b>			
<b>At March 31, 2017</b>	<b>9,00,250</b>	<b>1,89,39,45,793</b>	<b>1,89,48,46,043</b>
Additions	-	1,01,57,635	1,01,57,635
Disposals			-
<b>At March 31, 2018</b>	<b>9,00,250</b>	<b>1,90,41,03,428</b>	<b>1,90,50,03,678</b>
Additions	16,40,000	21,40,10,006	21,56,50,006
Disposals			-
<b>At March 31, 2019</b>	<b>25,40,250</b>	<b>2,11,81,13,434</b>	<b>2,12,06,53,684</b>

<b>Amortization</b>			
<b>At March 31, 2017</b>	<b>61,729</b>	<b>20,20,36,458</b>	<b>20,20,98,187</b>
Charge for the year	3,00,083	12,59,91,411	12,62,91,494
Disposals			-
<b>At March 31, 2018</b>	<b>3,61,812</b>	<b>32,80,27,869</b>	<b>32,83,89,681</b>
Charge for the year	5,02,306	13,69,50,378	13,74,52,684
Disposals			-
<b>At March 31, 2019</b>	<b>8,64,118</b>	<b>46,49,78,247</b>	<b>46,58,42,365</b>

<b>Net Block</b>			
<b>At March 31, 2018</b>	<b>5,38,438</b>	<b>1,57,60,75,559</b>	<b>1,57,66,13,997</b>
<b>At March 31, 2019</b>	<b>16,76,132</b>	<b>1,65,31,35,187</b>	<b>1,65,48,11,319</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 5. Financial assets (Non Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Investments in Associate Companies (Unquoted)</b>		
<b>Investments in Equity Instruments at Cost</b>		
Metro Digital Networks (Hyd) P Ltd	52,58,31,983	52,58,31,983
Deccan Digital Networks (Hyd) P Ltd	42,61,03,832	42,61,03,832
A.V.Digital Networks (Hyd) P Ltd	26,61,26,465	26,61,26,465
Pioneer Radio Training Services P Ltd	2,85,95,000	2,85,95,000
Asia Radio Broadcast P Ltd	2,85,95,000	2,85,95,000
<b>Investments in Debt Instruments at Amortised Cost</b>		
Metro Digital Networks (Hyd) P Ltd	53,43,02,522	51,69,19,076
Deccan Digital Networks (Hyd) P Ltd	59,96,91,168	60,25,37,184
A.V.Digital Networks (Hyd) P Ltd	17,53,36,064	16,96,34,792
<b>Total</b>	<b>2,58,45,82,034</b>	<b>2,56,43,43,332</b>

<b>Investments in Joint Ventures - (Unquoted)</b>		
<b>Investments in Equity Instruments at Cost</b>		
Optimum Media Services P Ltd	51,86,84,160	51,86,84,160
<b>Investments in Debt Instruments at Amortised Cost</b>		
Optimum Media Services P Ltd	75,99,60,110	67,85,35,812
<b>Total</b>	<b>1,27,86,44,270</b>	<b>1,19,72,19,972</b>

<b>Aggregate value of unquoted investments</b>	<b>3,86,32,26,304</b>	<b>3,76,15,63,304</b>
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<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>
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**Note 6. Financial assets (Non-Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Loans (Secured considered good unless otherwise stated)</b>		
Loans to Associates - Considered good	30,56,46,787	29,58,63,203
<b>Total</b>	<b>30,56,46,787</b>	<b>29,58,63,203</b>

<b>Other Financial Assets at Amortised Cost</b>		
Rental deposits	71,71,964	66,18,672
Deposits with Government agencies	1,71,36,192	1,53,00,172
Margin Money deposit	-	56,81,351
<b>Total</b>	<b>2,43,08,156</b>	<b>2,76,00,195</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Non-Current Tax Assets</b>		
Advance income tax (net of provision)	8,47,02,067	9,57,73,617
<b>Total</b>	<b>8,47,02,067</b>	<b>9,57,73,617</b>

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Current Tax Assets</b>		
Advance income tax (net of provision)	1,44,85,535	-
<b>Total</b>	<b>1,44,85,535</b>	<b>-</b>

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Non-current tax liabilities</b>		
Advance income tax (net of provision)		-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Current Tax Liabilities</b>		
Provision for Taxation (net of advance tax)	-	2,53,07,480
<b>Total</b>	<b>-</b>	<b>2,53,07,480</b>

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Unsecured and considered good</b>		
Capital advances	4,43,99,682	31,20,64,980
Prepaid expenses	4,57,57,374	4,92,51,231
Others	80,40,119	85,77,921
<b>Total</b>	<b>9,81,97,175</b>	<b>36,98,94,132</b>

**Other Current Assets**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Prepaid expenses	5,72,28,614	6,58,55,329
Balances with statutory/government authorities	5,75,48,284	17,58,43,478
Capital advances	-	-
Others	5,95,72,191	5,82,75,743
<b>Total</b>	<b>17,43,49,090</b>	<b>29,99,74,550</b>



**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 9 Trade Receivables****Trade and other receivables (current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Trade receivables	49,32,83,024	52,30,80,195
<b>Total</b>	<b>49,32,83,024</b>	<b>52,30,80,195</b>

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
<b>Trade receivables</b>		
Secured, considered good	9,58,31,769	10,38,83,148
Unsecured, considered good		
Doubtful	2,55,05,868	3,10,99,762
	12,13,37,637	13,49,82,910
Provision for doubtful receivables	(2,55,05,868)	(3,10,99,762)
	<b>9,58,31,769</b>	<b>10,38,83,148</b>
<b>Other receivables</b>		
Secured, considered good	39,74,51,255	41,91,98,767
Unsecured, considered good	-	-
Doubtful	-	-
	39,74,51,255	41,91,98,767
Provision for doubtful receivables	-	-
	<b>39,74,51,255</b>	<b>41,91,98,767</b>
<b>Total Trade receivables</b>	<b>49,32,83,024</b>	<b>52,30,81,915</b>

**SOUTH ASIA FM LIMITED**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 10 Financial assets (Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Investments in Debt Instruments at fair value through profit or loss (FVTPL):</b>		
HDFC Floating Rate Income Fund 6344289.69 units (Previous year 6045202.44 units)	6,39,56,150	6,09,41,081
HDFC Liquid Fund Dividend Plan Growth Option 10120.45 Units (Previous year 15526.12 Units)	3,72,25,912	5,31,59,552
HDFC ultra short term fund 6496435.97 Units (Previous year : Nil Units)	6,77,63,460	-
IDFC Money Manager Fund Investment Plan Weekly Dividend Nil units ( Previous year : 603889.15 units)	-	61,75,672
IDFC Money Manager Fund investment Plan Daily Dividend Nil units ( Previous year : 5133311.74 units)	-	5,23,13,066
IDFC Bond Fund Short Term Plan - Monthly dividend 6020066.72 units ( Previous year Nil units)	6,12,96,922	-
IDFC Ultra Short Term Fund 959232.61 units ( Previous year NIL units)	1,01,72,662	
ICICI Prudential Short Term Regular Plan - Growth Option 403600.92 Units (Previous Year 403600.92 Units)	1,55,93,444	1,46,08,376
ICICI Prudential Savings Fund Direct Plan Growth 39670.77 Units (Previous Year 39670.77 Units)	1,15,43,123	1,07,17,927
TATA Ultra Short Term Fund Regular Plan 11772.77 Units (Previous Year 11772.77 Units)	3,34,43,679	3,10,08,711
Tata Bond Fund Regular Plan Growth 206969.92 Units (Previous Year 206969.92 Units)	67,20,168	66,82,955
DHFL Banking & PSU Debt Fund 1396326.27 Units (Previous Year 1396326.27 Units)	2,29,96,097	2,14,35,842
DHFL Pramerica banking PSU Debt Fund - Direct Plan - Growth 252127.63 Units (Previous year Nil Units)	6,12,65,073	
DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth Nil Units ( Previous Year 1724439.28 Units)	-	3,67,86,774
<b>Total</b>	<b>39,19,76,690</b>	<b>29,38,29,956</b>
<b>Aggregate book value of quoted investments</b>	<b>33,56,18,242</b>	<b>27,51,45,726</b>
<b>Aggregate market value of quoted investments</b>	<b>39,19,76,690</b>	<b>29,38,29,956</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>-</b>

**Other Financial Assets at Amortised Cost**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Interest accrued fixed deposits	67,79,530	30,46,182
Other receivables (from Related Parties )	49,200	21,600
Interest Receivable	4,63,14,462	4,89,38,463
<b>Total</b>	<b>5,31,43,192</b>	<b>5,20,06,245</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 11.1 Cash and Cash Equivalents**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Balances with banks:		
– On current accounts	6,44,09,025	6,66,33,482
Cash on hand	1,39,488	93,627
<b>Total</b>	<b>6,45,48,513</b>	<b>6,67,27,109</b>

**Note 11.2 Bank Balances other than Cash and Cash Equivalents**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Deposits with original maturity for more than 3 months but less than 12 months	70,16,19,740	26,77,14,760
Margin Money deposit	9,73,48,246	14,76,69,874
<b>Total</b>	<b>79,89,67,986</b>	<b>41,53,84,634</b>

**SOUTH ASIA FM LIMITED**
**Notes to Financial Statements for the quarter ended 31 March, 2019**
*(All amounts are in Indian Rupees unless otherwise stated)*
**Note - 12. Equity Share Capital**

	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018	As at 31-Mar-2018
<b>Authorised Capital</b>				
401,000,000 Equity Shares of Rs. 10/- each (31-Mar-2018: 401,000,000 Equity Shares of Rs.10/-each )		4,01,00,00,000		4,01,00,00,000
254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)		2,54,00,00,000		2,54,00,00,000
		<b>6,55,00,00,000</b>		<b>6,55,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>				
381,859,817 Equity Shares of Rs.10/- each fully paid up (31-Mar-2018: 381,859,817 Equity Shares of Rs.10/- each fully paid up)		3,81,85,98,170		3,81,85,98,170
233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)	2,33,50,06,830		2,33,50,06,830	
Less: Classified under "Other Equity" - Note 13	-2,33,50,06,830	-	-2,33,50,06,830	-
		<b>3,81,85,98,170</b>		<b>3,81,85,98,170</b>

**(i) Reconciliation of the number of shares outstanding:**

At the beginning of the year	38,18,59,817	38,18,59,817
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>38,18,59,817</b>	<b>38,18,59,817</b>

**(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, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL /- share (March 31, 2018: Rs. NIL/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. 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:**

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
<b>Name of the shareholders</b>				
Sun TV Network Limited	22,69,92,000	59.44%	22,69,92,000	59.44%
AH Multisoft Private Limited	7,63,71,962	20.00%	7,63,71,962	20.00%
South Asia Multimedia Technologies Limited, Mauritius	7,63,71,963	20.00%	7,63,71,963	20.00%

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 13 Other Equity**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
233,500,683 0.1 % Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)	2,33,50,06,830	2,33,50,06,830
Share Premium	1,31,50,00,000	1,31,50,00,000
Retained earnings	29,24,38,959	4,07,48,029
<b>Total</b>	<b>3,94,24,45,789</b>	<b>3,69,07,54,859</b>

The Company has only one class of Preference shares having a face value of Rs. 10 per share. The Preference shares are convertible to equity shares at any time within a period of 18 years from the date of issue at the option of the Company. Upon conversion to equity shares, the preference shares rank pari passu with the existing equity shares of the company in all respects.

**Note 14 Other Financial Liabilities (Non-Current)**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Other financial liabilities at amortised cost</b>		
Rental deposit from related parties	20,000	20,000
Payable to employees	3,70,830	2,76,150
<b>Total</b>	<b>3,90,830</b>	<b>2,96,150</b>

**Note 15.1 Trade Payables - Non-Current**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Trade Payables	39,37,29,028	32,30,86,252
<b>Total</b>	<b>39,37,29,028</b>	<b>32,30,86,252</b>

**Note 15.2 Trade Payables - Current**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Trade Payables	2,26,74,578	1,83,78,851
<b>Total</b>	<b>2,26,74,578</b>	<b>1,83,78,851</b>

As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

**Note 16 Other Financial Liabilities (Current)**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Other financial liabilities at amortised cost</b>		
Payable to employees	2,15,66,091	1,73,92,963
Outstanding liabilities	3,67,69,089	3,92,26,583
<b>Total</b>	<b>5,83,35,180</b>	<b>5,66,19,546</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 17 Other Current Liabilities**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Statutory Dues	2,72,69,239	3,36,81,232
Advances from customers	55,56,118	58,34,332
<b>Total</b>	<b>3,28,25,357</b>	<b>3,95,15,564</b>

**Note 18. Provisions**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Short-term provisions</b>		
Provision for leave encashment	38,51,942	31,31,899
Provision for gratuity	82,56,258	80,94,437
<b>Total</b>	<b>1,21,08,200</b>	<b>1,12,26,336</b>

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Long-term provisions</b>		
Provision for leave encashment	1,19,23,052	88,89,194
Provision for gratuity	32,49,708	-
<b>Total</b>	<b>1,51,72,760</b>	<b>88,89,194</b>

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 19 Revenue from Services**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Advertising income	1,40,99,04,362	1,30,94,07,044
<b>Total</b>	<b>1,40,99,04,362</b>	<b>1,30,94,07,044</b>

**Note 20. Other Income**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Dividend income on current investments	61,91,846	46,42,689
Net gain on sale of current investments	95,72,424	-
Fair Value Gain on Financial Instruments at FVTPL(net)	73,82,464	74,45,547
Liabilities not required to be paid written back	18,33,400	3,13,040
Profit on Sale of Assets (net)	72,038	1,93,300
Miscellaneous Income	2,40,086	2,00,001
<b>Total</b>	<b>2,52,92,258</b>	<b>1,27,94,577</b>

**Note 21. Finance Income**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest income		
- on bank deposits	4,10,20,999	2,70,24,291
- on loans to associates	13,97,03,635	21,87,93,261
- on IT refund	21,38,090	47,30,774
<b>Total</b>	<b>18,28,62,724</b>	<b>25,05,48,326</b>

**Note 22. Cost of Revenues**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Program production expenses	19,40,27,218	18,16,31,188
Licenses	17,73,34,073	16,22,95,287
<b>Total</b>	<b>37,13,61,291</b>	<b>34,39,26,475</b>

**Note 23. Employee Benefit Expense**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Salaries, wages and bonus	40,02,72,468	30,90,63,757
Gratuity expense	72,23,084	69,46,198
Leave Encashment	37,53,901	32,60,172
Contributions to provident fund and other funds	2,47,84,918	2,07,28,875
Staff welfare expense	23,97,518	25,90,627
<b>Total</b>	<b>43,84,31,889</b>	<b>34,25,89,629</b>

**SOUTH ASIA FM LIMITED**
**Notes to Financial Statements for the quarter ended 31 March, 2019**
*(All amounts are in Indian Rupees unless otherwise stated)*
**Note 24. Other Expense**

Particulars	March 31, 2019	March 31, 2018
Legal and professional fees (Refer details below for payments made to auditors)	2,71,92,285	3,73,40,531
Travel and conveyance	1,20,04,678	87,22,320
Rent	4,45,41,036	3,91,86,766
Power and Fuel	6,14,46,880	5,04,79,106
Repairs and maintenance		
- Plant and machinery	77,89,817	53,34,135
- Others	1,31,68,719	98,85,365
Communication	1,34,81,791	1,09,01,558
Expenditure on Corporate Social Responsibility	74,47,481	74,92,540
Utilities	2,25,87,107	1,95,69,032
Insurance	11,08,581	11,84,954
Bad debts written off	3,02,62,336	3,17,565
Provision for doubtful debts (net of reversals)	(55,93,894)	1,71,91,948
Rates and taxes	15,79,257	96,41,943
Miscellaneous expenses	12,41,447	20,15,053
<b>Total</b>	<b>23,82,57,519</b>	<b>21,92,62,816</b>

**Payment to auditor**

Particulars	March 31, 2019	March 31, 2018
<b>As auditor:</b>		
Audit fee	1,00,000	1,00,000
Limited review		-
Service Tax		-
<b>In other capacity:</b>		
Other services	6,90,000	2,30,000
Reimbursement of expenses		-
<b>Total</b>	<b>7,90,000</b>	<b>3,30,000</b>

**Corporate Social Responsibility (CSR)**

Gross amount required to be spent by the Company during the year 93,09,351 74,81,620

Amount Spent during the year on 31-Mar-2019	Paid	Yet to be paid	Total
Construction/acquisition of any asset			
On purposes other than above	74,47,481	18,61,870	93,09,351
	<b>74,47,481</b>	<b>18,61,870</b>	<b>93,09,351</b>
Contribution made to Related Parties		-	-

Amount Spent during the year on 31-Mar-2018	Paid	Yet to be paid	Total
Construction/acquisition of any asset			
On purposes other than above	74,92,540	-	74,92,540
	<b>74,92,540</b>	<b>-</b>	<b>74,92,540</b>
Contribution made to Related Parties:	74,92,540	-	-

**Note 25. Advertisement & marketing expense**

Particulars	March 31, 2019	March 31, 2018
Advertisement and marketing expenses	3,58,38,618	1,67,42,194
<b>Total</b>	<b>3,58,38,618</b>	<b>1,67,42,194</b>

**Note 26. Depreciation and amortization expense**

Particulars	March 31, 2019	March 31, 2018
Depreciation of tangible assets (Note 3)	6,61,84,562	4,68,20,820
Amortization of intangible assets (Note 4)	13,74,52,684	12,62,91,494
<b>Total</b>	<b>20,36,37,246</b>	<b>17,31,12,314</b>

**Note 27. Finance Costs**

Particulars	March 31, 2019	March 31, 2018
Interest		
- on loans	-	77,85,484
- others	64,276	2,79,139
Bank charges	53 1,95,863	2,47,948
<b>Total</b>	<b>2,60,139</b>	<b>83,12,571</b>



**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 28. Components of Other Comprehensive Income (OCI)**

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

**During the year ended 31 March 2019**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Re-measurement gains (losses) on defined benefit plans	33,81,712	48,69,407
Others (if any)	-	-
	<b>33,81,712</b>	<b>48,69,407</b>

**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:

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Profit after tax (Rs. in crores)	25,43,63,618	36,57,01,673
Weighted average number of shares		
- Basic	38,18,59,817	38,18,59,817
- Diluted	40,52,09,885	40,52,09,885
Earning per share of Rs.10/- each		
- Basic	0.67	0.96
- Diluted	0.63	0.90

**SOUTH ASIA FM LIMITED**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 30. Employee benefit plans - Gratuity**

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

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

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	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Provident Fund	2,42,75,076	2,00,57,543

**Statement of Profit and Loss**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Recognized in profit or loss:		
Current service cost	68,79,900	56,08,254
Interest cost on benefit obligation	3,43,182	38,219
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	(15,88,748)	73,214
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	(5,95,424)	14,53,475
Experience adjustments	49,80,968	29,39,716
Return on Plan Assets (Greater) / Less than Discount rate	5,84,917	4,03,002
Recognized in other comprehensive income	33,81,713	48,69,407
<b>Net benefit expense</b>	<b>1,06,04,795</b>	<b>1,05,15,880</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation	3,87,83,291	2,95,58,247
Fair value of plan assets	2,72,77,325	2,14,63,810
<b>Plan Liability / (Asset)</b>	<b>1,15,05,966</b>	<b>80,94,437</b>

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening defined benefit obligation	2,95,58,248	1,98,14,702
Current service cost	68,79,900	56,08,254
Interest cost	21,55,819	14,12,752
Actuarial (gains) / losses on obligation	27,96,796	44,66,405
Benefits paid	(26,07,471)	(17,43,865)
Closing defined benefit obligation	3,87,83,291	2,95,58,248

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Fair value of planned assets at the beginning of the year	2,14,63,810	1,63,68,332
Expected return on plan assets	18,12,637	13,74,532
Contributions	71,93,266	58,67,813
Benefits paid	(26,07,471)	(17,43,865)
Actuarial gain / (loss) on plan assets	(5,84,917)	(4,03,002)
Fair value of plan assets at the end of the year	2,72,77,325	2,14,63,810

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Discount rate	7.63%	7.46%
Expected rate of return on assets	7.63%	7.46%
Employee turnover	15.00%	15.58%

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.

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)*

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

	<b>Gratuity plan</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Investments details</b>		
Funds with LIC	2,72,77,325	2,14,63,810
<b>Total</b>	<b>2,72,77,325</b>	<b>2,14,63,810</b>

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

**Gratuity plan:**

<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Impact on defined benefit obligation	(32,13,616)	37,34,824	32,73,445	(29,12,798)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Within the next 12 months (next annual reporting period)	32,87,429	36,44,461
Between 2 and 5 years	1,04,52,498	1,02,81,854
Between 5 and 10 years	61,57,318	66,19,993
<b>Total expected payments</b>	<b>1,98,97,245</b>	<b>2,05,46,308</b>

**South Asia FM Limited****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 31 Related party transactions****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

Mr. J. Ravindran - Independent Director

Mr. C. Venkatesh - Company Secretary

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Rental Income</b> Sun Direct TV Pvt Ltd	-	-	2,40,000	2,00,000	-	-	-	-
<b>Other Income</b> A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	3,66,27,249	3,44,55,343	-	-

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
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**South Asia FM Limited**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Rent Expense</b>								
Sun TV Network Limited	13,68,574	13,05,024	-	-	-	-	-	-
<b>Advertisement expenses</b>								
Sun TV Network Limited	-	-	-	-	-	-	-	-
<b>Business Support Services</b>								
Sun TV Network Limited	15,87,718	13,55,828	-	-	-	-	-	-
<b>Remuneration/Ex-gratia/Bonus payable</b>								
Mr. C. Venkatesh	-	-	-	-	-	-	48,96,237	42,51,565
<b>Balances Outstanding:</b>								
<b>Other Receivables</b>								
Sun Direct TV Pvt Limited	-	-	49,200	21,600				
<b>Investments</b>								
Metro Digital Networks (Hyd) P Ltd					1,06,01,34,505	1,04,27,51,059		
Deccan Digital Networks (Hyd) P Ltd					1,02,57,95,000	1,02,86,41,016		
A.V.Digital Networks (Hyd) P Ltd					44,14,62,530	43,57,61,257		
Pioneer Radio Training Services P Ltd					2,85,95,000	2,85,95,000		
Asia Radio Broadcast P Ltd					2,85,95,000	2,85,95,000		
Optimum Media Services P Ltd					1,27,86,44,270	1,19,72,19,972		
<b>Loans &amp; Advances</b>								
A.V.Digital Networks (Hyd) P Ltd	30,56,46,787	29,58,63,203						
<b>Rental and other deposits</b>								
Sun Direct TV Pvt Limited	-	-	20,000	20,000				
<b>Accounts Payable / Other Current Liabilities</b>								
Sun TV Network Limited	2,84,148	2,54,683						

**SOUTH ASIA FM LIMITED**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 32.1. Fair Values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Financial Assets (Non Current &amp; Current)</b>				
Investments in Mutual Funds	39,19,76,690	29,38,29,956	39,19,76,690	29,38,29,956
Investments in Associate companies	2,58,45,82,034	2,56,43,43,332	2,58,45,82,034	2,56,43,43,332
Investments in joint ventures	1,27,86,44,270	1,19,72,19,972	1,27,86,44,270	1,19,72,19,972
	4,25,52,02,994	4,05,53,93,261	4,25,52,02,994	4,05,53,93,261

**Note 32.2. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:**

	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)
<b>Asset measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investments in Mutual Funds	31-Mar-19	39,19,76,690	39,19,76,690	-	-
Investments in Associate companies	31-Mar-19	2,58,45,82,034	-	2,58,45,82,034	-
Investments in joint ventures	31-Mar-19	1,27,86,44,270	-	1,27,86,44,270	-
<b>Assets for which fair values are disclosed:</b>					
Investment Properties	31-Mar-19	-	-	-	-

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 2018:**

	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)
<b>Asset measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investments in Mutual Funds	31-Mar-18	29,38,29,956	29,38,29,956	-	-
Investments in Associate companies	31-Mar-18	2,56,43,43,332	-	2,56,43,43,332	-
Investments in joint ventures	31-Mar-18	1,19,72,19,972	-	1,19,72,19,972	-
<b>Assets for which fair values are disclosed:</b>					
Investment Properties	31-Mar-18	-	-	-	-

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

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

**Note 33. Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, etc. Financial instrument affected by market risk include deposits etc.

**Credit risk**

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

**SOUTH ASIA FM LIMITED****Notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 34. 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.

<b>Return on Equity</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Profit Before Taxes	33,02,72,642	46,88,03,948
Less: Finance Income	(18,28,62,724)	(25,05,48,326)
Add: Finance cost	2,60,139	83,12,571
<b>Earnings before Net interest and Tax</b>	14,76,70,056	22,65,68,192
Equity Share Capital	3,81,85,98,170	3,81,85,98,170
Other Equity	3,94,24,45,789	3,69,07,54,859
<b>Capital Employed</b>	7,76,10,43,959	7,50,93,53,029
<b>ROCE</b>	1.90	3.02

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

**SOUTH ASIA FM LIMITED**

**Notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

**Note 35. Provisional Attachment Order from Enforcement Directorate**

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

**Note 36. Note on FM Radio Licences**

The Company operationalized Five new frequencies out of Seven Frequencies which it obtained in the Batch 2 of Phase III.

**Note 37 : Prior year comparatives**

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

**As per my report of even date**

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

**N. PRIYA**

Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**

Managing Director

**J. RAVINDRAN**

Director

**C. VENKATESH**

Company Secretary

**Place: Chennai**

**Date: 15-May-2019**

**Place: Chennai**

**Date: 15-May-2019**



## **INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### **Opinion**

I have audited the accompanying consolidated Ind AS financial statements of **M/s. South Asia FM Limited** ("the Company") and its associated and joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its consolidated Profit/loss, consolidated total comprehensive income, consolidated Cash Flows and consolidated changes in Equity for the year ended on that date.

### **Basis of Opinion**

I conducted the audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics issued

by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to the audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key Audit Matters are those matters that, in my professional judgement, were of most significance in my audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of my audit of the Consolidated Ind AS Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and of its associates and joint ventures are responsible for overseeing the financial reporting process of the company and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

### **Other Matters**

I did not audit the financial statements / financial information of the joint ventures and associates, considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Company's share of net profit/loss for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of its joint ventures and associates, whose financial statements / financial

information have not been audited by me. These financial statements / financial information have been audited by other auditors whose reports have been furnished to me by the Management and my opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, and my report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures and associates, is based solely on the reports of the other auditors.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, I report, to the extent applicable, that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated Ind AS financial statements.
  - b. In my opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from my examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In my opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies and joint ventures incorporated in India, none of the directors of the Company, its associate companies and joint ventures incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company, its joint ventures and associates and the operating effectiveness of such controls, refer to my separate report in Annexure A.
  
- 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, as amended, in my opinion and to the best of the information and according to the explanations given to me:
  - i. The Company, its joint ventures and associates does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.
  
  - ii. The Company, its joint ventures and associates 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, its joint ventures and associates.

Place : Chennai  
Date : May 15, 2019

(N. Priya)  
Chartered Accountant  
Membership # 223834

## **“ANNEXURE A” TO THE AUDITORS’ REPORT**

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

I have audited the internal financial controls over financial reporting of M/s. South Asia FM Limited (“the Company”) as of March 31, 2019 and its associates and joint ventures in conjunction with the audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 consolidated Ind AS financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion on the internal financial controls system over financial reporting of the Company, its associates and joint ventures.

### **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, to the best of my information and according to the explanations given to me, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

My aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the associates and joint ventures, is based solely on the corresponding reports of the auditors of such companies.

My opinion is not modified in respect of the above matters.

Place : Chennai  
Date : May 15,2019

(N. Priya)  
Chartered Accountant  
Membership # 223834

**SOUTH ASIA FM LIMITED**

**Consolidated Balance Sheet as at 31st March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	3	25,82,12,522	19,39,71,661
Capital Work-in-Progress		1,64,21,532	2,03,89,603
Intangible assets	4	1,65,48,11,319	1,57,66,13,997
<b>Financial Assets</b>			
Investments in Associate Companies	5	2,11,77,15,350	2,07,91,36,313
Investments in Joint Ventures	5	1,48,19,07,418	1,41,39,10,849
Loans	6	30,56,32,579	29,58,48,995
Other Financial Assets	6	2,43,08,156	2,76,00,195
Tax Assets	7	8,47,02,067	9,57,73,617
Deferred tax assets (Net)		-	-
Other non current assets	8	9,81,97,175	36,98,94,132
		<b>6,04,19,08,118</b>	<b>6,07,31,39,362</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
<b>Loans</b>			
Trade receivables	9	49,32,83,024	52,30,80,195
Investment	10	39,19,76,690	29,38,29,956
Other Financial Assets	10	5,31,43,192	5,20,06,245
Tax Assets	7	1,44,85,536	-
Cash and Cash Equivalents	11.1	6,45,48,513	6,67,27,109
Bank Balances Other than Cash and Cash Equivalents	11.2	79,89,67,986	41,53,84,634
Other current assets	8	17,43,49,089	29,99,74,550
		<b>1,99,07,54,030</b>	<b>1,65,10,02,689</b>
<b>Total Assets</b>		<b>8,03,26,62,148</b>	<b>7,72,41,42,051</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	3,81,85,98,170	3,81,85,98,170
Other Equity			
General Reserve		-	-
Other Reserves	13	3,67,88,28,045	3,42,22,24,509
<b>Equity attributable to the equity holders of the parent</b>		<b>7,49,74,26,215</b>	<b>7,24,08,22,679</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>7,49,74,26,215</b>	<b>7,24,08,22,679</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	15.1	39,37,29,028	32,30,86,252
Other financial liabilities	14	3,90,830	2,96,150
Provisions	18	1,51,72,760	88,89,194
		<b>40,92,92,618</b>	<b>33,22,71,596</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	2,26,74,578	1,83,78,850
Other current financial liabilities	16	5,83,35,180	5,66,19,546
Tax liability	7	-	2,53,07,480
Other Current Liabilities	17	3,28,25,357	3,95,15,564
Provisions	18	1,21,08,200	1,12,26,336
<b>Total Liabilities</b>		<b>12,59,43,315</b>	<b>15,10,47,776</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,03,26,62,148</b>	<b>7,72,41,42,051</b>

Significant Accounting Policies

2

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

As per my report of even date

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

N. PRIYA

Chartered Accountant  
Membership #: 223834

K. SHANMUGAM

Managing Director

J. RAVINDRAN

Director

C.VENKATESH

Company Secretary

Place: Chennai

Date: 15-May-2019

Place: Chennai

Date: 15-May-2019

**SOUTH ASIA FM LIMITED**

**Consolidated statement Of Profit And Loss for the year ended 31st March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
<b>Income</b>			
Revenue from Operations	19	1,40,99,04,362	1,30,94,07,044
Other Income	20	2,52,92,258	1,27,94,577
Finance Income	21	18,28,62,724	25,05,48,326
<b>Total Income</b>		<b>1,61,80,59,344</b>	<b>1,57,27,49,947</b>
<b>Expenses</b>			
Costs of revenues	22	37,13,61,291	34,39,26,475
Employees' benefits expense	23	43,84,31,889	34,25,89,629
Other expenses	24	23,82,57,519	21,92,62,816
Advertisement and marketing expenses	25	3,58,38,618	1,67,42,194
Depreciation and amortization expense	26	20,36,37,246	17,31,12,314
Finance costs	27	2,60,139	83,12,571
<b>Total Expense</b>		<b>1,28,77,86,702</b>	<b>1,10,39,45,999</b>
<b>Profit(Loss) Before Tax</b>		<b>33,02,72,642</b>	<b>46,88,03,948</b>
Current Year		7,59,09,023	10,41,23,213
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		<b>7,59,09,023</b>	<b>10,41,23,213</b>
<b>Profit for the year</b>		<b>25,43,63,619</b>	<b>36,46,80,735</b>
<b>Share of Profits from Associates</b>		49,12,606	2,19,21,699
		<b>25,92,76,225</b>	<b>38,66,02,434</b>
<b>Other Comprehensive Income:</b>			
<b>(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Others (Specify nature)		-	-
Income tax effect		-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		-	-
<b>(ii) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)	28	33,81,712	48,69,407
Income tax effect		-7,09,023	-10,20,939
		26,72,689	38,48,468
Others (Specify nature)		-	-
Income tax effect		-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>26,72,689</b>	<b>38,48,468</b>
<b>Other comprehensive income/(loss) for the year, net of tax (i+ii)</b>		<b>26,72,689</b>	<b>38,48,468</b>
<b>Total comprehensive income for the year</b>		<b>25,66,03,536</b>	<b>38,27,53,966</b>
<b>Earnings per Equity Share of INR 10 each</b>	29		
Basic profit from operations attributable to equity holders of the parent		0.68	1.01
Diluted profit from operations attributable to equity holders of the parent		0.64	0.95

Significant Accounting Policies

2

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

As per my report of even date

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

**N. PRIYA**

Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**  
Managing Director

**J. RAVINDRAN**  
Director

**C.VENKATESH**  
Company Secretary

Place: Chennai  
Date: 15-May-2019

Place: Chennai  
Date: 15-May-2019

**SOUTH ASIA FM LIMITED**

**Statement of Changes in Equity for the year ended 31 March 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**a. Equity Share Capital:**

Equity shares of INR 10 each issued, subscribed and fully paid	Number Of Shares	Amount
<b>At 31 March 2018</b>	38,18,59,817	3,81,85,98,170
Issue of share capital	-	-
<b>At 31 March 2019</b>	<b>38,18,59,817</b>	<b>3,81,85,98,170</b>

**b. Other equity**

**For the year ended 31 March 2019**

Particulars	Attributable to Equity holders of the parent				Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	Items of OCI FVTOCI reserve			
<b>As at 1st April 2018</b>	5,00,76,701	1,31,50,00,000	-	1,33,22,265	1,37,83,98,966	-	1,37,83,98,966
Profit for the period	25,43,63,619	-	-	-	25,43,63,619	-	25,43,63,619
Other comprehensive income	-	-	-	26,72,689	26,72,689	-	26,72,689
Total Comprehensive Income	30,44,40,320	1,31,50,00,000	-	1,59,94,954	1,63,54,35,273	-	1,63,54,35,273
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>30,44,40,320</b>	<b>1,31,50,00,000</b>	<b>-</b>	<b>1,59,94,954</b>	<b>1,63,54,35,273</b>	<b>-</b>	<b>1,63,54,35,273</b>

**For the year ended 31 March 2018**

Particulars	Attributable to Equity holders of the parent				Total	Non-Controlling Interests	Total Equity
	Retained earnings	Securities Premium Reserve	General Reserve	Items of OCI FVTOCI reserve			
<b>As at 1st April 2017</b>	(31,46,04,034)	1,31,50,00,000	-	84,52,858	1,00,88,48,824	-	1,00,88,48,824
Profit for the period	36,46,80,735	-	-	-	36,46,80,735	-	36,46,80,735
Other comprehensive income	-	-	-	48,69,407	48,69,407	-	48,69,407
Total Comprehensive Income	5,00,76,701	1,31,50,00,000	-	1,33,22,265	1,37,83,98,966	-	1,37,83,98,966
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>5,00,76,701</b>	<b>1,31,50,00,000</b>	<b>-</b>	<b>1,33,22,265</b>	<b>1,37,83,98,966</b>	<b>-</b>	<b>1,37,83,98,966</b>

**SOUTH ASIA FM LIMITED**
**Consolidated cash Flow Statement for the year ended 31 March 2019**
*(All amounts are in Indian Rupees unless otherwise stated)*

		<b>Year Ended 31-Mar-2019</b>	<b>Year Ended 31-Mar-2018</b>
<b>Cash flow from operating activities</b>			
<b>Net profit before tax and extraordinary items</b>		33,02,72,642	46,88,03,948
Adjustments to reconcile:			
IND AS adjustments		(1,00,55,153)	(1,12,94,015)
Depreciation on tangible assets/investment property		6,61,84,562	4,68,20,821
Amortisation of intangible assets		13,74,52,684	12,62,91,494
Impairment of intangible assets			
(Profit)/Loss on sale of fixed assets/investment property, net		(96,44,462)	(1,93,300)
Translation loss / (gain) on monetary assets and liabilities			
Provision for doubtful debts/Movie advances and other Assets		(55,93,894)	1,71,91,948
Provision for litigations and claims			
Bad debts written off		3,02,62,335	3,17,565
Liabilities / provisions no longer required written back		(18,33,400)	(3,13,040)
Interest income		(18,28,62,724)	(25,05,48,326)
Dividend income		(61,91,846)	(46,42,689)
Interest expense		2,60,139	83,12,571
<b>Operating profit before working capital changes</b>		<b>34,82,50,883</b>	<b>40,07,46,976</b>
Movements in working capital :			
(Increase) / Decrease in trade receivables		51,28,730	(13,37,59,284)
(Increase) / Decrease in inventories			
(Increase) / Decrease in other current assets/other financial assets		38,96,93,926	16,49,15,863
(Increase) / Decrease in loans and advances		-	-
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		7,18,92,010	(13,99,55,516)
Increase / (Decrease) in provisions		71,65,430	79,08,239
<b>Cash generated from operations</b>		82,21,30,980	29,98,56,277
Direct taxes paid (net of refunds)		10,46,30,489	7,49,91,772
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>A</b>	<b>71,75,00,492</b>	<b>22,48,64,505</b>
<b>Cash flow from investing activities</b>			
Purchase of PPE, capital work in progress (including capital advances)		(12,68,87,934)	(10,40,30,371)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)		(21,56,50,005)	(1,01,57,635)
Purchase of current investments		(18,28,54,845)	(25,37,09,071)
Sale of investments		-	-
Proceeds from sale of assets		5,02,620	6,15,800
Term deposits placed with banks during the year			
Term deposits refunded from banks during the year			
Interest received		18,28,62,724	25,05,48,326
Dividends received		61,91,846	46,42,689
<b>Net cash from / (used in) investing activities (B)</b>	<b>B</b>	<b>(33,58,35,595)</b>	<b>(11,20,90,262)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of Equity Shares			
Payment of dividend and tax thereon			
Interest paid		(2,60,140)	(83,12,571)
<b>Net cash (used in) / from financing activities (C)</b>	<b>C</b>	<b>(2,60,140)</b>	<b>(83,12,571)</b>
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(A+B+C+D)</b>	<b>38,14,04,757</b>	<b>10,44,61,673</b>
<b>Opening balance of cash and cash equivalents</b>	<b>E</b>	<b>48,21,11,743</b>	<b>37,76,50,070</b>
<b>Closing balance of cash and cash equivalents</b>	<b>F</b>	<b>86,35,16,500</b>	<b>48,21,11,743</b>
Net increase / (decrease) in cash and cash equivalents	(F-E)	38,14,04,757	10,44,61,673
Earmarked Balances with Banks (*)	G		
<b>Closing cash and Bank Balance</b>	<b>(F+G)</b>	<b>38,14,04,757</b>	<b>10,44,61,673</b>

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

As per my report of even date

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

**N. PRIYA**

Chartered Accountant  
Membership #: 223834

**K. SHANMUGAM**  
Managing Director

**J. RAVINDRAN**  
Director

**C.VENKATESH**  
Company Secretary

Place: Chennai

Date: 15-May-2019

Place: Chennai

Date: 15-May-2019

**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

**Note 3 - Property Plant & Equipment**

	<b>Plant &amp; Machinery</b>	<b>Office Equipments</b>	<b>Furniture &amp; Fitting</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Gross Block</b>						
<b>At March 31, 2017</b>	<b>16,29,84,308</b>	<b>1,84,49,454</b>	<b>17,58,032</b>	<b>92,47,590</b>	<b>76,14,307</b>	<b>20,00,53,691</b>
Additions	4,17,17,560	1,25,23,698	16,04,265	3,01,69,947	20,75,201	8,80,90,671
Disposals	(4,51,634)	(2,45,909)	(22,910)	-	-	(7,20,453)
<b>At March 31, 2018</b>	<b>20,42,50,234</b>	<b>3,07,27,243</b>	<b>33,39,387</b>	<b>3,94,17,537</b>	<b>96,89,508</b>	<b>28,74,23,909</b>
Additions	8,67,74,641	1,09,92,832	12,48,656	2,35,38,339	83,01,538	13,08,56,006
Disposals	(2,75,915)	(5,05,087)	(9,766)	-	-	(7,90,768)
<b>At March 31, 2019</b>	<b>29,07,48,960</b>	<b>4,12,14,988</b>	<b>45,78,277</b>	<b>6,29,55,876</b>	<b>1,79,91,046</b>	<b>41,74,89,147</b>

<b>Depreciation</b>						
<b>At March 31, 2017</b>	<b>3,45,48,146</b>	<b>48,88,050</b>	<b>5,03,276</b>	<b>37,39,157</b>	<b>32,50,751</b>	<b>4,69,29,380</b>
Charge for the year	3,22,78,763	42,14,129	6,22,169	85,46,479	11,59,281	4,68,20,821
Disposals	(1,90,911)	(93,209)	(13,833)	-	-	(2,97,953)
<b>At March 31, 2018</b>	<b>6,66,35,998</b>	<b>90,08,970</b>	<b>11,11,612</b>	<b>1,22,85,636</b>	<b>44,10,032</b>	<b>9,34,52,248</b>
Charge for the year	4,36,95,206	50,49,213	7,27,293	1,46,49,319	20,63,531	6,61,84,562
Disposals	(98,308)	(2,55,550)	(6,327)	-	-	(3,60,185)
<b>At March 31, 2019</b>	<b>11,02,32,896</b>	<b>1,38,02,633</b>	<b>18,32,578</b>	<b>2,69,34,955</b>	<b>64,73,563</b>	<b>15,92,76,625</b>

<b>Net Block</b>						
<b>At March 31, 2018</b>	<b>13,76,14,236</b>	<b>2,17,18,273</b>	<b>22,27,775</b>	<b>2,71,31,901</b>	<b>52,79,476</b>	<b>19,39,71,661</b>
<b>At March 31, 2019</b>	<b>18,05,16,064</b>	<b>2,74,12,355</b>	<b>27,45,699</b>	<b>3,60,20,921</b>	<b>1,15,17,483</b>	<b>25,82,12,522</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 4 - Intangible Assets**

	<b>Computer Software</b>	<b>Licenses</b>	<b>Total</b>
<b>Gross Block</b>			
<b>At March 31, 2017</b>	<b>9,00,250</b>	<b>1,89,39,45,793</b>	<b>1,89,48,46,043</b>
Additions	-	1,01,57,635	1,01,57,635
Disposals			-
<b>At March 31, 2018</b>	<b>9,00,250</b>	<b>1,90,41,03,428</b>	<b>1,90,50,03,678</b>
Additions	16,40,000	21,40,10,006	21,56,50,006
Disposals			-
<b>At March 31, 2019</b>	<b>25,40,250</b>	<b>2,11,81,13,434</b>	<b>2,12,06,53,684</b>

<b>Amortization</b>			
<b>At March 31, 2017</b>	<b>61,729</b>	<b>20,20,36,458</b>	<b>20,20,98,187</b>
Charge for the year	3,00,083	12,59,91,411	12,62,91,494
Disposals			-
<b>At March 31, 2018</b>	<b>3,61,812</b>	<b>32,80,27,869</b>	<b>32,83,89,681</b>
Charge for the year	5,02,306	13,69,50,378	13,74,52,684
Disposals			-
<b>At March 31, 2019</b>	<b>8,64,118</b>	<b>46,49,78,247</b>	<b>46,58,42,365</b>

**Net Block**

<b>At March 31, 2018</b>	<b>5,38,438</b>	<b>1,57,60,75,559</b>	<b>1,57,66,13,997</b>
<b>At March 31, 2019</b>	<b>16,76,132</b>	<b>1,65,31,35,187</b>	<b>1,65,48,11,319</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 5. Financial assets (Non Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Investments in Associate Companies (Unquoted)</b>		
<b>Investments in Equity Instruments at Cost</b>		
Metro Digital Networks (Hyd) P Ltd	14,68,15,258	16,20,59,037
Deccan Digital Networks (Hyd) P Ltd	21,88,97,946	21,63,93,860
A.V.Digital Networks (Hyd) P Ltd	6,50,84,156	6,50,84,156
Pioneer Radio Training Services P Ltd	31,69,36,542	30,74,57,561
Asia Radio Broadcast P Ltd	13,39,30,773	11,71,74,277
<b>Investments in Debt Instruments at Amortised Cost</b>		
Metro Digital Networks (Hyd) P Ltd	53,43,02,522	51,69,19,076
Deccan Digital Networks (Hyd) P Ltd	59,96,91,168	60,25,37,184
A.V.Digital Networks (Hyd) P Ltd	10,20,56,985	9,15,11,162
<b>Total</b>	<b>2,11,77,15,350</b>	<b>2,07,91,36,313</b>

<b>Investments in Joint Ventures - (Unquoted)</b>		
<b>Investments in Equity Instruments at Cost</b>		
Optimum Media Services P Ltd	72,19,47,308	73,53,75,037
<b>Investments in Debt Instruments at Amortised Cost</b>		
Optimum Media Services P Ltd	75,99,60,110	67,85,35,812
<b>Total</b>	<b>1,48,19,07,418</b>	<b>1,41,39,10,849</b>

<b>Aggregate value of unquoted investments</b>	<b>3,59,96,22,768</b>	<b>3,49,30,47,162</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

**Note 6. Financial assets (Non-Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Loans (Secured considered good unless otherwise stated)</b>		
Loans to Associates - Considered good	30,56,32,579	29,58,48,995
<b>Total</b>	<b>30,56,32,579</b>	<b>29,58,48,995</b>

<b>Other Financial Assets at Amortised Cost</b>		
Rental deposits	71,71,964	66,18,672
Deposits with Government agencies	1,71,36,192	1,53,00,172
Margin Money deposit	-	56,81,351
<b>Total</b>	<b>2,43,08,156</b>	<b>2,76,00,195</b>



**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Non-Current Tax Assets</b>		
Advance income tax (net of provision)	8,47,02,067	9,57,73,617
<b>Total</b>	<b>8,47,02,067</b>	<b>9,57,73,617</b>

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Current Tax Assets</b>		
Advance income tax (net of provision)	1,44,85,536	-
<b>Total</b>	<b>1,44,85,536</b>	<b>-</b>

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Current Tax Liabilities</b>		
Provision for Taxation (net of advance tax)	-	2,53,07,480
<b>Total</b>	<b>-</b>	<b>2,53,07,480</b>

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

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Unsecured and considered good</b>		
Capital advances	4,43,99,682	31,20,64,980
Prepaid expenses	4,57,57,374	4,92,51,231
Others	80,40,119	85,77,921
<b>Total</b>	<b>9,81,97,175</b>	<b>36,98,94,132</b>

**Other Current Assets**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Prepaid expenses	5,72,28,614	6,58,55,329
Balances with statutory/government authorities	5,75,48,284	17,58,43,478
Others	5,95,72,191	5,82,75,743
<b>Total</b>	<b>17,43,49,089</b>	<b>29,99,74,550</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 9 Trade Receivables****Trade and other receivables (current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Trade receivables	49,32,83,024	52,30,80,195
<b>Total</b>	<b>49,32,83,024</b>	<b>52,30,80,195</b>

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
<b>Trade receivables</b>		
Secured, considered good	9,58,31,769	10,38,83,148
Unsecured, considered good		
Doubtful	2,55,05,868	3,10,99,762
	12,13,37,637	13,49,82,910
Provision for doubtful receivables	(2,55,05,868)	(3,10,99,762)
	<b>9,58,31,769</b>	<b>10,38,83,148</b>
<b>Other receivables</b>		
Secured, considered good	39,74,51,255	41,91,98,767
Unsecured, considered good	-	-
Doubtful	-	-
	39,74,51,255	41,91,98,767
Provision for doubtful receivables	-	-
	<b>39,74,51,255</b>	<b>41,91,98,767</b>
<b>Total Trade receivables</b>	<b>49,32,83,024</b>	<b>52,30,81,915</b>

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

**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

**Note 10 Financial assets (Current)**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
<b>Investments in Debt Instruments at fair value through profit or loss (FVTPL):</b>		
HDFC Floating Rate Income Fund 6344289.69 units (Previous year 6045202.44 units)	6,39,56,150	6,09,41,081
HDFC Liquid Fund Dividend Plan Growth Option 10120.45 Units (Previous year 15526.12 Units)	3,72,25,912	5,31,59,552
HDFC ultra short term fund 6496435.97 Units (Previous year : Nil Units)	6,77,63,460	-
IDFC Money Manager Fund Investment Plan Weekly Dividend Nil units ( Previous year : 603889.15 units)	-	61,75,672
IDFC Money Manager Fund investment Plan Daily Dividend Nil units ( Previous year : 5133311.74 units)	-	5,23,13,066
IDFC Bond Fund Short Term Plan - Monthly dividend 6020066.72 units ( Previous year Nil units)	6,12,96,922	-
IDFC Ultra Short Term Fund 959232.61 units ( Previous year NIL units)	1,01,72,662	
ICICI Prudential Short Term Regular Plan - Growth Option 403600.92 Units (Previous Year 403600.92 Units)	1,55,93,444	1,46,08,376
ICICI Prudential Savings Fund Direct Plan Growth 39670.77 Units (Previous Year 39670.77 Units)	1,15,43,123	1,07,17,927
TATA Ultra Short Term Fund Regular Plan 11772.77 Units (Previous Year 11772.77 Units)	3,34,43,679	3,10,08,711
Tata Bond Fund Regular Plan Growth 206969.92 Units (Previous Year 206969.92 Units)	67,20,168	66,82,955
DHFL Banking & PSU Debt Fund 1396326.27 Units (Previous Year 1396326.27 Units)	2,29,96,097	2,14,35,842
DHFL Pramerica banking PSU Debt Fund - Direct Plan - Growth 252127.63 Units (Previous year Nil Units)	6,12,65,073	
DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth Nil Units ( Previous Year 1724439.28 Units)	-	3,67,86,774
<b>Total</b>	<b>39,19,76,690</b>	<b>29,38,29,956</b>

<b>Aggregate book value of quoted investments</b>	<b>33,56,18,242</b>	<b>27,51,45,726</b>
<b>Aggregate market value of quoted investments</b>	<b>39,19,76,690</b>	<b>29,38,29,956</b>
<b>Aggregate amount of impairment in value of investments</b>		-

**Other Financial Assets at Amortised Cost**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Interest accrued fixed deposits	67,79,530	30,46,182
Other receivables (from Related Parties )	49,200	21,600
Interest Receivable	4,63,14,462	4,89,38,463
<b>Total</b>	<b>5,31,43,192</b>	<b>5,20,06,245</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 11.1 Cash and Cash Equivalents**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Balances with banks:		
– On current accounts	6,44,09,025	6,66,33,482
Cash on hand	1,39,488	93,627
<b>Total</b>	<b>6,45,48,513</b>	<b>6,67,27,109</b>

**Note 11.2 Bank Balances other than Cash and Cash Equivalents**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Deposits with original maturity for more than 3 months but less than 12 months	70,16,19,740	26,77,14,760
Margin Money deposit	9,73,48,246	14,76,69,874
<b>Total</b>	<b>79,89,67,986</b>	<b>41,53,84,634</b>

**SOUTH ASIA FM LIMITED**
**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**
*(All amounts are in Indian Rupees unless otherwise stated)*
**Note - 12. Equity Share Capital**

	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018	As at 31-Mar-2018
<b>Authorised Capital</b>				
401,000,000 Equity Shares of Rs. 10/- each (31-Mar-2018: 401,000,000 Equity Shares of Rs.10/-each )		4,01,00,00,000		4,01,00,00,000
254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)		2,54,00,00,000		2,54,00,00,000
		<b>6,55,00,00,000</b>		<b>6,55,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>				
381,859,817 Equity Shares of Rs.10/- each fully paid up (31-Mar-2018: 381,859,817 Equity Shares of Rs.10/- each fully paid up)		3,81,85,98,170		3,81,85,98,170
233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)	2,33,50,06,830		2,33,50,06,830	
Less: Classified under "Other Equity" - Note 13	-2,33,50,06,830	-	-2,33,50,06,830	-
		<b>3,81,85,98,170</b>		<b>3,81,85,98,170</b>

**(i) Reconciliation of the number of shares outstanding:**

At the beginning of the year	38,18,59,817	38,18,59,817
Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>38,18,59,817</b>	<b>38,18,59,817</b>

**(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, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL /- share (March 31, 2018: Rs. NIL/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. 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:**

Particulars	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
<b>Name of the shareholders</b>				
Sun TV Network Limited	22,69,92,000	59.44%	22,69,92,000	59.44%
AH Multisoft Private Limited	7,63,71,962	20.00%	7,63,71,962	20.00%
South Asia Multimedia Technologies Limited, Mauritius	7,63,71,963	20.00%	7,63,71,963	20.00%

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 13 Other Equity**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
233,500,683 0.1 % Compulsorily Convertible Preference Shares of Rs. 10/- each (31-Mar-2018: 233,500,683 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)	2,33,50,06,830	2,33,50,06,830
Share Premium	1,31,50,00,000	1,31,50,00,000
Retained earnings	2,88,21,215	(22,77,82,321)
<b>Total</b>	<b>3,67,88,28,045</b>	<b>3,42,22,24,509</b>

The Company has only one class of Preference shares having a face value of Rs. 10 per share. The Preference shares are convertible to equity shares at any time within a period of 18 years from the date of issue at the option of the Company. Upon conversion to equity shares, the preference shares rank pari passu with the existing equity shares of the company in all respects.

**Note 14 Other Financial Liabilities (Non-Current)**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Other financial liabilities at amortised cost</b>		
Rental deposit from related parties	20,000	20,000
Payable to employees	3,70,830	2,76,150
<b>Total</b>	<b>3,90,830</b>	<b>2,96,150</b>

**Note 15.1 Trade Payables - Non-Current**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Trade Payables	39,37,29,028	32,30,86,252
<b>Total</b>	<b>39,37,29,028</b>	<b>32,30,86,252</b>

**Note 15.2 Trade Payables - Current**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Trade Payables	2,26,74,578	1,83,78,850
<b>Total</b>	<b>2,26,74,578</b>	<b>1,83,78,850</b>

There is no overdue amount payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

**Note 16 Other Financial Liabilities (Current)**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Other financial liabilities at amortised cost</b>		
Payable to employees	2,15,66,091	1,73,92,963
Outstanding liabilities	3,67,69,089	3,92,26,583
<b>Total</b>	<b>5,83,35,180</b>	<b>5,66,19,546</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 17 Other Current Liabilities**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Statutory Dues	2,72,69,239	3,36,81,232
Advances from customers	55,56,118	58,34,332
<b>Total</b>	<b>3,28,25,357</b>	<b>3,95,15,564</b>

**Note 18. Provisions**

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Short-term provisions</b>		
Provision for leave encashment	38,51,942	31,31,899
Provision for gratuity	82,56,258	80,94,437
<b>Total</b>	<b>1,21,08,200</b>	<b>1,12,26,336</b>

<b>Particulars</b>	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
<b>Long-term provisions</b>		
Provision for leave encashment	1,19,23,052	88,89,194
Provision for gratuity	32,49,708	-
<b>Total</b>	<b>1,51,72,760</b>	<b>88,89,194</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 19 Revenue from Services**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Advertising income	1,40,99,04,362	1,30,94,07,044
<b>Total</b>	<b>1,40,99,04,362</b>	<b>1,30,94,07,044</b>

**Note 20. Other Income**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Dividend income on current investments	61,91,846	46,42,689
Net gain on sale of current investments	95,72,424	-
Fair Value Gain on Financial Instruments at FVTPL(net)	73,82,464	74,45,547
Liabilities not required to be paid written back	18,33,400	3,13,040
Profit on Sale of Assets (net)	72,038	1,93,300
Miscellaneous Income	2,40,086	2,00,001
<b>Total</b>	<b>2,52,92,258</b>	<b>1,27,94,577</b>

**Note 21. Finance Income**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest income		
- on bank deposits	4,10,20,999	2,70,24,291
- on loans to associates	13,97,03,635	21,87,93,261
- on IT refund	21,38,090	47,30,774
<b>Total</b>	<b>18,28,62,724</b>	<b>25,05,48,326</b>

**Note 22. Cost of Revenues**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Program production expenses	19,40,27,218	18,16,31,188
Licenses	17,73,34,073	16,22,95,287
<b>Total</b>	<b>37,13,61,291</b>	<b>34,39,26,475</b>

**Note 23. Employee Benefit Expense**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Salaries, wages and bonus	40,02,72,468	30,90,63,757
Gratuity expense	72,23,084	69,46,198
Leave Encashment	37,53,901	32,60,172
Contributions to provident fund and other funds	2,47,84,918	2,07,28,875
Staff welfare expense	23,97,518	25,90,627
<b>Total</b>	<b>43,84,31,889</b>	<b>34,25,89,629</b>



**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 24. Other Expense**

Particulars	March 31, 2019	March 31, 2018
Legal and professional fees (Refer details below for payments made to auditors)	2,71,92,285	3,73,40,531
Travel and conveyance	1,20,04,678	87,22,320
Rent	4,45,41,036	3,91,86,766
Power and Fuel	6,14,46,880	5,04,79,106
Repairs and maintenance		
- Plant and machinery	77,89,817	53,34,135
- Others	1,31,68,719	98,85,365
Communication	1,34,81,791	1,09,01,558
Expenditure on Corporate Social Responsibility	74,47,481	74,92,540
Utilities	2,25,87,107	1,95,69,032
Insurance	11,08,581	11,84,954
Bad debts written off	3,02,62,335	3,17,565
Provision for doubtful debts (net of reversals)	(55,93,894)	1,71,91,948
Rates and taxes	15,79,256	96,41,943
Miscellaneous expenses	12,41,447	20,15,053
<b>Total</b>	<b>23,82,57,519</b>	<b>21,92,62,816</b>

**Payment to auditor**

Particulars	June 30, 2018	March 31, 2018
<b>As auditor:</b>		
Audit fee	1,00,000	1,00,000
Limited review		-
Service Tax		-
<b>In other capacity:</b>		
Other services	6,90,000	2,30,000
Reimbursement of expenses		-
<b>Total</b>	<b>7,90,000</b>	<b>3,30,000</b>

**Corporate Social Responsibility (CSR)**

Gross amount required to be spent by the Company during the year 93,09,351 74,81,620

Amount Spent during the year on 31-Mar-2019	Paid	Yet to be paid	Total
Construction/acquisition of any asset On purposes other than above	74,47,481	18,61,870	93,09,351
	<b>74,47,481</b>	<b>18,61,870</b>	<b>93,09,351</b>
Contribution made to Related Parties	-	-	-

Amount Spent during the year on 31-Mar-2018	Paid	Yet to be paid	Total
Construction/acquisition of any asset On purposes other than above	- 74,92,540	- -	- 74,92,540
	<b>74,92,540</b>	<b>-</b>	<b>74,92,540</b>
Contribution made to Related Parties:			-

**Note 25. Advertisement & marketing expense**

Particulars	March 31, 2019	March 31, 2018
Advertisement and marketing expenses	3,58,38,618	1,67,42,194
<b>Total</b>	<b>3,58,38,618</b>	<b>1,67,42,194</b>

**Note 26. Depreciation and amortization expense**

Particulars	March 31, 2019	March 31, 2018
Depreciation of tangible assets (Note 3)	6,61,84,562	4,68,20,820
Amortization of intangible assets (Note 4)	13,74,52,684	12,62,91,494
<b>Total</b>	<b>20,36,37,246</b>	<b>17,31,12,314</b>

**Note 27. Finance Costs**

Particulars	March 31, 2019	March 31, 2018
Interest		
- on loans	-	77,85,484
- others	64,276	2,79,139
Bank charges	1,95,863	2,47,948
<b>Total</b>	<b>82,60,139</b>	<b>83,12,571</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 28. Components of Other Comprehensive Income (OCI)**

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

**During the year ended 31 March 2019**

	<b>As at 31-Mar-2019</b>	<b>As at 31-Mar-2018</b>
Re-measurement gains (losses) on defined benefit plans	33,81,712	48,69,407
Others (if any)	-	-
	<b>33,81,712</b>	<b>48,69,407</b>

**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:

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Profit after tax (Rs. in crores)	25,92,76,225	38,66,02,434
Weighted average number of shares		
- Basic	38,18,59,817	38,18,59,817
- Diluted	40,52,09,885	40,52,09,885
Earning per share of Rs.10/- each		
- Basic	0.68	1.01
- Diluted	0.64	0.95

**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 30. Employee benefit plans - Gratuity**

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

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

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	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Provident Fund	2,42,75,076	2,00,57,543

**Statement of Profit and Loss**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Recognized in profit or loss:		
Current service cost	68,79,900	56,08,254
Interest cost on benefit obligation	3,43,182	38,219
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	(15,88,748)	73,214
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	(5,95,424)	14,53,475
Experience adjustments	49,80,968	29,39,716
Return on Plan Assets (Greater) / Less than Discount rate	5,84,917	4,03,002
Recognized in other comprehensive income	33,81,713	48,69,407
<b>Net benefit expense</b>	<b>1,06,04,795</b>	<b>1,05,15,880</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation	3,87,83,291	2,95,58,247
Fair value of plan assets	2,72,77,325	2,14,63,810
<b>Plan Liability / (Asset)</b>	<b>1,15,05,966</b>	<b>80,94,437</b>

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening defined benefit obligation	2,95,58,248	1,98,14,702
Current service cost	68,79,900	56,08,254
Interest cost	21,55,819	14,12,752
Actuarial (gains) / losses on obligation	27,96,796	44,66,405
Benefits paid	(26,07,471)	(17,43,865)
Closing defined benefit obligation	3,87,83,291	2,95,58,248

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Fair value of planned assets at the beginning of the year	2,14,63,810	1,63,68,332
Expected return on plan assets	18,12,637	13,74,532
Contributions	71,93,266	58,67,813
Benefits paid	(26,07,471)	(17,43,865)
Actuarial gain / (loss) on plan assets	(5,84,917)	(4,03,002)
Fair value of plan assets at the end of the year	2,72,77,325	2,14,63,810

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Discount rate	7.63%	7.46%
Expected rate of return on assets	7.63%	7.46%
Employee turnover	15.00%	15.58%

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.

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)*

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

<b>Gratuity plan</b>		
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Investments details</b>		
Funds with LIC	2,72,77,325	2,14,63,810
<b>Total</b>	<b>2,72,77,325</b>	<b>2,14,63,810</b>

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

**Gratuity plan:**

<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Impact on defined benefit oblig	(32,13,616)	37,34,824	32,73,445	(29,12,798)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Within the next 12 months (next annual reporting period)	32,87,429	36,44,461
Between 2 and 5 years	1,04,52,498	1,02,81,854
Between 5 and 10 years	61,57,318	66,19,993
<b>Total expected payments</b>	<b>1,98,97,245</b>	<b>2,05,46,308</b>

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 31 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

Mr. J. Ravindran - Independent Director

Mr. C. Venkatesh - Company Secretary

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Joint Ventures/ associates	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Rental Income</b>						
Sun Direct TV Pvt Ltd	-	-	2,40,000	2,00,000	-	-
<b>Other Income</b>						
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	3,66,27,249	3,44,55,343

Particulars	Holding Company	Enterprises in which Key Management personnel or their relatives have significant influence	Subsidiary / Joint Ventures/ associates
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**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Rent Expense</b>						
Sun TV Network Limited	13,68,574	13,05,024				
<b>Advertisement expenses</b>						
Sun TV Network Limited		-	-	-	-	-
<b>Business Support Services</b>						
Sun TV Network Limited	15,87,718	13,55,828	-	-	-	-
<b>Remuneration/Ex-gratia/Bonus payable</b>						
Mr. C. Venkatesh	-	-	-	-	-	-
<b>Balances Outstanding:</b>						
<b>Other Receivables</b>						
Sun Direct TV Pvt Limited	-	-	49,200	21,600		
<b>Investments</b>						
Metro Digital Networks (Hyd) P Ltd					68,11,17,780	1,04,27,51,059
Deccan Digital Networks (Hyd) P Ltd					81,85,89,114	1,02,86,41,016
A.V.Digital Networks (Hyd) P Ltd					16,71,41,141	43,57,61,257
Pioneer Radio Training Services P Ltd					31,69,36,542	2,85,95,000
Asia Radio Broadcast P Ltd					13,39,30,773	2,85,95,000
Optimum Media Services P Ltd					1,48,19,07,418	1,19,72,19,972
<b>Loans &amp; Advances</b>						
A.V.Digital Networks (Hyd) P Ltd	30,56,32,579	29,58,48,995				
<b>Rental and other deposits</b>						
Sun Direct TV Pvt Limited	-		20,000	20,000		
<b>Accounts Payable / Other Current Liabilities</b>						
Sun TV Network Limited	2,84,148	2,54,683				

**SOUTH ASIA FM LIMITED**

**Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

**Note 32.1. Fair Values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Financial Assets (Non Current &amp; Current)</b>				
Investments in Mutual Funds	39,19,76,690	29,38,29,956	39,19,76,690	29,38,29,956
Investments in Associate companies	2,11,77,15,350	2,07,91,36,313	2,11,77,15,350	2,07,91,36,313
Investments in joint ventures	1,48,19,07,418	1,41,39,10,849	1,48,19,07,418	1,41,39,10,849
	<b>3,99,15,99,457</b>	<b>3,78,68,77,118</b>	<b>3,99,15,99,457</b>	<b>3,78,68,77,118</b>

**Note 32.2. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:**

	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs( Level 2)	Significant unobservable inputs( Level 3)
<b>Asset measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investments in Mutual Funds	31-Mar-19	39,19,76,690	39,19,76,690	-	-
Investments in Associate companies	31-Mar-19	2,11,77,15,350	-	2,11,77,15,350	-
Investments in joint ventures	31-Mar-19	1,48,19,07,418	-	1,48,19,07,418	-
<b>Assets for which fair values are disclosed:</b>					
Investment Properties	31-Mar-19	-	-	-	-

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 2018:**

	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets(Level 1)	Significant observable inputs( Level 2)	Significant unobservable inputs( Level 3)
<b>Asset measured at fair value:</b>					
<b>FVTPL financial investments:</b>					
Investments in Mutual Funds	31-Mar-18	29,38,29,956	29,38,29,956	-	-
Investments in Associate companies	31-Mar-18	2,07,91,36,313	-	2,07,91,36,313	-
Investments in joint ventures	31-Mar-18	1,41,39,10,849	-	1,41,39,10,849	-
<b>Assets for which fair values are disclosed:</b>					
Investment Properties	31-Mar-18	-	-	-	-

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

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

**Note 33. Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, etc. Financial instrument affected by market risk include deposits etc.

**Credit risk**

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

**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019***(All amounts are in Indian Rupees unless otherwise stated)***Note 34. 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.

<b>Return on Equity</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Profit Before Taxes	33,02,72,642	46,88,03,948
Less: Finance Income	(18,28,62,724)	(25,05,48,326)
Add: Finance cost	2,60,139	83,12,571
<b>Earnings before Net interest and Tax</b>	<b>14,76,70,057</b>	<b>22,65,68,192</b>
Equity Share Capital	3,81,85,98,170	3,81,85,98,170
Other Equity	3,67,88,28,045	3,42,22,24,509
<b>Capital Employed</b>	<b>7,49,74,26,215</b>	<b>7,24,08,22,679</b>
<b>ROCE</b>	<b>1.97</b>	<b>3.13</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.



**SOUTH ASIA FM LIMITED****Consolidated notes to Financial Statements for the quarter ended 31 March, 2019**

*(All amounts are in Indian Rupees unless otherwise stated)*

**Note 35. Provisional Attachment Order from Enforcement Directorate**

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

**Note 36. Note on FM Radio Licences**

The Company operationalized Five new frequencies out of Seven Frequencies which it obtained in the Batch 2 of Phase III.

**Note 37 : Prior year comparatives**

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

**As per my report of even date****For and on behalf of Board of Directors of South Asia FM Limited****N. PRIYA**Chartered Accountant  
Membership #: 223834**K. SHANMUGAM**

Managing Director

**J. RAVINDRAN**

Director

**C. VENKATESH**

Company Secretary

**Place: Chennai****Date: 15-May-2019****Place: Chennai****Date: 15-May-2019**