

SOUTH ASIA FM LIMITED



ANNUAL REPORT 2021



SOUTH ASIA FM LIMITED



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.K. Shanmugam	Managing Director
Mr.J.Ravindran	Independent Director
Mr.Nicholas Martin Paul	Independent Director
Mr.Donakanti Arjun Rao	Director
Mrs.Nisha Narayanan	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, 2021 together with the Balance Sheet and the Profit and Loss account Statement for the year ended on that date.

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Revenues	7165.36	12656.76
Other Income including Finance Income	5326.15	2629.73
Total Income	12491.51	15286.48
Expenditure (Excluding Finance costs, depreciation & amortization)	8397.11	10927.73
Earning before interest, tax, depreciation & amortization (EBITDA)	4094.40	4358.76
Finance Costs	688.03	700.85
Depreciation and amortization	2516.98	2695.25
Profit before Exceptional item & taxation	889.39	962.65
Exceptional Item (Net)		2.07
Profit before Tax (PBT)	889.39	964.73
Current Tax		(7.88)
Fringe Benefit Tax (FBT)	-	-
Profit/(Loss) for the year	889.39	972.61

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.

OPERATIONS

The advertising revenue of the company has decreased by 43.39% to Rs.7165.36 Lakhs from Rs.12656.76 Lakhs of the previous year.

The Company has achieved profit after tax of Rs.889.39 Lakhs in the financial year 2020-21 as against Rs.972.61 Lakhs in the previous year.

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 2020-2021.

RESERVES

Your Directors do not propose to transfer any amount to the general reserve of the company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;

There are no such material changes and commitments affecting the Financial Position of the company occurred between the end of the Financial Year of the company to which the Financial statements relate and the date of the report

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loan, Guarantees and Investments made by the company during the financial year covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the 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 2020-21 is given in Annexure - C in form AOC-2 and forms part of this report, Also, details of the above mentioned contracts and arrangements are given in the notes to Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Donakanti Arjun Rao and Mrs.Nisha Narayanan, Directors of the Company will retire at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Board of Directors recommends their reappointment at the ensuing Annual General Meeting.

THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

In accordance with the provisions of the Companies Act, 2013 and with the approval of members in the Annual General Meeting , the board reappointed Mr. Shanmugam as Managing Director of the company for a tenure of 5 years with effect from 05.12.20 whose tenure ended on 04.12.20.

OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Companies Act, 2013 the Board has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration committee. The manner in which the evaluation has been carried out is explained below:-

A) EVALUATION OF DIRECTORS BY INDEPENDENT DIRECTORS'

During the year under review, the Independent Directors met on 11th November 2020, inter alia to:

- i. Review the performance of non-independent directors and the Board as a whole
- ii. Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

B) EVALUATION OF INDEPENDENT DIRECTORS BY DIRECTORS'

During the year under review, the Directors (other than Independent Directors) met on 11th November 2020, inter alia to:

- i. Review the performance of the independent directors of the company, taking into account the views of executive directors and non-executive directors.
- ii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Independent Directors' Declaration

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.

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of the Act are covered under the Board's policy formulated by the Company.

MEETINGS OF THE BOARD

During the Financial Year 2020-2021, the Board met 4 times on:

S No.	Dates of Meeting of the Board	Quarter	No of directors on the date of meeting	Total no of directors attended
1	18/06/20	Apr-June	5	5
2	04/08/20	July-Sep	5	5
3	11/11/20	Oct-Dec	5	5
4	04/02/21	Jan-Mar	5	4

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

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

Name of Member	Category
Mr. J. Ravindran	Chairman
Mr. K. 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 is required to constitute a CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013. The Company has duly constituted a Corporate Social Responsibility Committee. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the current year is given in “**Annexure A**”. The CSR Committee held one meeting during the year.

The Composition of the 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

Mr. J.Ravindran - Chairman of the Committee

Mr. Donakanti Arjun Rao - Member of the Committee

Mr. Nichilos Martin Paul - Member of the Committee

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

STATUTORY 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. Due to the amendment of Section 139 of the Companies Act 2013, ratification of Auditor’s appointment is not required any longer.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY AUDITORS IN THEIR REPORT

There was no disqualification, reservations or adverse remarks made by Auditors in their report hence does not call for any further comment

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143

During the Financial year 2020-21 there were no frauds reported by the Auditors under Section 143(12) of Companies Act, 2013

INTERNAL AUDIT

Pursuant to the provisions of section 138 of the Companies Act, 2013, Company has appointed M/s {Name of the auditor} as internal auditors of the company for the financial year 2020-21 to conduct the internal audit of the company.

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 has 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 2020-21. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark and hence does not call for any further comment

MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The Company has made and maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and Rules prescribed thereunder.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the financial year ended March 31, 2021.

SUBSIDIARIES OR ASSOCIATE COMPANIES

The following are the list of Subsidiaries, and Associates during the financial year 2020-21.

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

The financial statements of the associate companies and related information are available for inspection by the members at the registered office of your company on all working days between 10.00 A.M. to 5.00 P.M. up to the date of this Annual General Meeting as required under Section 136 of the Companies Act, 2013.

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, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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 earnings and Outgo-

Foreign exchange earnings during the year was Rs.19,36,480 and there was no Foreign exchange outgo

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of the Sub-Section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return of the Company for the year ended 31st March 2021 is given in the prescribed format Form MGT-9 as [Annexure B] to this report. This report can be accessed from the website: www.redfm.in

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 2020-21, 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, 2021 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 2021, 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 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.

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The management reviews the framework regularly. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

No application made or any proceeding pending under the insolvency and bankruptcy code, 2016 during the year

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.]

During the year, there was no instance where the Company made a one-time settlement with any Bank or any Financial Institution

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 : 25th May 2021

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 below

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.

2. Composition of the CSR Committee:

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

3. Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. www.redfm.in
4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. No amount available for set off
6. **Average net profit of the company for the last three financial years -**
Rs. 2985.16 Lakhs
- 7.

(Rs. In Lacs)

S. No.	Particulars	Amount
(a)	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	Rs.59.70 Lacs

(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
(c)	Amount required to be set off for the financial year, if any	-
	Total CSR obligation for the financial year (7a + 7b - 7c)	

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Lacs)	Amount Unspent (in Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount(In Lacs)	Date of transfer
Rs 59.72 Lacs	-	-	Through Sun Foundation	Rs.59.72 Lacs	25.02.2021

1. (b) Details of CSR amount spent against **ongoing projects** for the financial year: Nil

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (In Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through implementing agency	
				State	District			Name	CSR Registration Number
1							No	Sun Foundation	CSR00006999
2									
3									
4									
5									

1. (d) Amount spent in Administrative Overheads : Nil

1. (e) Amount spent on Impact Assessment, if applicable : Nil

8. (f) Total amount spent for the Financial Year (8a+8b+8c+8d+8e) : Rs.59.72 Lacs

(g) Excess amount for set off, if any:

1. (i) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013 : Rs.59.72 Lacs
9. (ii) Total amount spent for the Financial Year : Rs.59.72 Lacs
10. (iii) Excess amount spent for the financial year [(ii)-(i)] : Nil
11. (iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any - : Nil
12. (v) Amount available for set off in succeeding financial years [(iii)-(iv)] : Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs.in Lacs)	Amount Spent in the reporting Financial Year (Rs.in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs.in Lacs)
					Name of the Fund	Amount (Rs.in Lacs)	
1							
2							
3							

1. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

13. 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Nil

14. 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act,2013 : Not applicable

For and on behalf of the Board of Directors

Place : Chennai
Date : 25th May 2021

K. Shanmugam
Managing Director

J. Ravindran
Director

ANNEXURE B

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

**As on the financial year ended on 31/03/2021
[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	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Broadcasting Services	60100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company :-

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

Associate Companies :-

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

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

Category Of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt									
(d) State Govt (s)									
(e) Venture Capital funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others									
Sub-Total (B)(1)									
(2)									
a) Bodies Corporate									
i. Indian		7,63,71,962	7,63,71,962	20.00	7,63,71,962	7,63,71,962	20.00	NIL	
ii. Overseas		7,63,71,963	7,63,71,963	20.00	7,63,71,963	7,63,71,963	20.00	NIL	
(a) Individuals		4	4		4	4		NIL	
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
(ii)									
NRIs									
Clearing Members									
Trust									
Sub-Total (B)(2)		15,27,43,929	15,27,43,929	40.00	15,27,43,929	15,27,43,929	40.00	NIL	
Total Public Shareholding = (B) (1) + (B) (2)									
C. Shares held by custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	38,18,59,817		38,18,59,817	100.00	38,18,59,817	38,18,59,817	100.00	NIL	

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	
1	Sun TV Network Limited	226992000	59.44	NIL	226992000	59.44	NIL	-
2	Mr. Kalanithi Maran	2123888	0.56	NIL	2123888	0.56	NIL	-
	Total	229115888	60.00	NIL	229115888	60.00	NIL	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the promoters during the year.

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/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year			229115888	60.00

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	A.H. Multisoft Private Limited	76371962	20.00	76371962	20.00
2	South Asia Multimedia Technologies Limited	76371963	20.00	76371963	20.00

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Mr. K. Shanmugam				
	At the beginning of the year	1	0.00	-	-
	Date wise increase/ decrease in shareholding during the year				
	At the end of the year	-	-	1	0.00
2	Mr. J. Ravindran				
	At the beginning of the year				
	Date wise increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Mr. R. Donakanti Arjun Rao				
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount		-		
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				
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		-		
Total (i+ii+iii)		-		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

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

B. Remuneration to other Directors:

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

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

S.No	Particulars of Remuneration	Key Managerial Personnel (C.Venkatesh) (Rs in Lakhs)
		CS
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.72
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as a % of profit	-
5	Others, please specify	-
Total (A)		51.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE C

FORM AOC - 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto -

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis during the year

Date of Board Approval	Nature of transaction	Name of the Related Party	Amount	Duration
18.06.2020	Rent & Other Expenses	SUN TV NETWORK LIMITED	1,00,00,000	01.04.2020 - 31.03.2021
18.06.2020	Rental & Interest Income	SUN DIRECT TV PRIVATE LIMITED	3,50,00,000	01.04.2020 - 31.03.2021
18.06.2020	Inter Corporate Deposits	SUN DIRECT TV PRIVATE LIMITED	75,00,00,000	01.04.2020 - 31.03.2021

ANNEXURE D REMUNERATION POLICY

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time.

Objective and purpose:

- i. To guide the board by laying down criteria and terms and conditions in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board.
- iii. To recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and formulate criteria for remuneration payable to Senior Management Personnel and other employees.
- iv. To provide Key Managerial Personnel and Senior Management performance based incentives / rewards relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long-term sustainability of talented Senior Management and create competitive advantage through a structured talent review.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.

“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. The Company should ensure that it appoints or continues the employment of any person as Managing Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013.
- iii. To ensure that Company shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Act and Clause 49 of the Listing Agreement.

TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the

Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- i. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ii. The Committee may delegate any of its powers to one or more of its members.

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2021, 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, 2021, 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. I have determined that there are no key audit matters to communicate in my report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with the audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 the requirements of section 197(16) of the Act, as amended;

In my opinion and to the best of the information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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 25, 2021

N. Priya
Chartered Accountant
Membership # 223834
UDIN: 21223834AAAAAQ6157

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, 2021:

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 granted loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. According to the information and explanations given to us, the Company has granted unsecured loans to three bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

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, 2021 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, 2021 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 25, 2021

N. Priya
Chartered Accountant
Membership # 223834
UDIN: 21223834AAAAAQ6157

“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, 2021 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2021, 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 25, 2021

N. Priya
Chartered Accountant
Membership # 223834
UDIN: 21223834AAAAAQ6157

SOUTH ASIA FM LIMITED
Standalone Balance Sheet as at 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-March-2021	As at 31-Mar-2020
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	17,74,20,813	22,64,75,945
Capital Work-in-Progress		1,75,57,252	34,15,370
Intangible assets	4	1,37,81,78,792	1,51,97,67,695
Right to Use Assets		47,80,29,430	53,16,09,385
Financial Assets			
Investments in Associate Companies	5	2,62,50,59,450	2,60,48,20,744
Investments in Joint Ventures	5	1,47,19,78,123	1,36,98,39,484
Loans	6	82,15,00,001	81,66,04,403
Other Financial Assets	6	2,91,59,036	4,26,89,957
Tax Assets	7	9,83,20,733	10,68,80,324
Other non current assets	8	5,60,78,174	8,36,67,701
		7,15,32,81,804	7,30,57,71,008
Current Assets			
Financial Assets			
Trade receivables	9	37,12,69,900	47,77,98,892
Investment	10	44,28,49,990	41,70,19,595
Other Financial Assets	10	8,08,88,777	5,23,13,063
Tax Assets	7	1,55,11,577	3,41,53,055
Cash and Cash Equivalents	11.1	6,47,03,105	4,07,16,425
Bank Balances Other than Cash and Cash Equivalents	11.2	63,59,40,073	60,35,89,378
Other current assets	8	10,33,72,600	13,96,53,950
		1,71,45,36,022	1,76,52,44,358
Total Assets		8,86,78,17,826	9,07,10,15,366
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	3,81,85,98,170	3,81,85,98,170
Other Equity			
General Reserve			-
Other Reserves	13	4,13,02,27,660	4,04,20,52,247
Equity attributable to the equity holders of the parent		7,94,88,25,830	7,86,06,50,417
Total Equity		7,94,88,25,830	7,86,06,50,417
Non-Current Liabilities			
Financial Liabilities			
Trade payables	15.1	25,60,79,441	47,63,49,744
Other financial liabilities	14	47,17,09,880	49,07,92,379
Provisions	18	1,83,92,190	1,65,90,632
Tax liability		-	-
Other Non-Current Liabilities		-	-
		74,61,81,511	98,37,32,755
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	2,72,79,873	2,84,65,661
Other current financial liabilities	16	11,44,54,420	15,59,62,718
Tax liability	7	-	-
Other Current Liabilities	17	2,63,91,678	3,42,81,318
Provisions	18	46,84,514	79,22,497
Total Liabilities		17,28,10,485	22,66,32,194
TOTAL EQUITY AND LIABILITIES		8,86,78,17,826	9,07,10,15,366

Significant Accounting Policies

2

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C.VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

SOUTH ASIA FM LIMITED
Statement of Profit And Loss for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note No.	Year Ended	
		March 31, 2021	March 31, 2020
Income			
Revenue from Operations	19	71,65,36,209	1,26,56,75,602
Other Income	20	28,06,68,174	3,22,39,611
Finance Income	21	25,19,46,796	23,07,33,354
Total Income		1,24,91,51,179	1,52,86,48,567
Expenses			
Costs of revenues	22	25,97,51,566	37,31,08,483
Employees' benefits expense	23	42,81,63,825	48,82,32,271
Other expenses	24	14,66,75,632	18,73,02,751
Advertisement and marketing expenses	25	51,20,124	4,41,29,232
Depreciation and amortization expense	26	25,16,98,349	26,95,25,352
Finance costs	27	6,88,03,178	7,00,85,055
Total Expense		1,16,02,12,675	1,43,23,83,144
Profit (Loss) Before Exceptional Item and Tax		8,89,38,504	9,62,65,423
Exceptional Item (Net)		-	2,07,233
Profit (Loss) Before Tax		8,89,38,504	9,64,72,656
Current Taxes		-	(7,88,715)
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		-	(7,88,715)
Profit for the Year		8,89,38,504	9,72,61,371
Other Comprehensive Income:			
(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Others (Specify nature)			
Income tax effect			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement Gains or (losses) on defined benefit obligations (net)	28	(7,63,091)	31,33,802
Income tax effect		-	(7,88,715)
Others (Specify nature)		(7,63,091)	23,45,087
Income tax effect		-	-
		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(7,63,091)	23,45,087
Other comprehensive income/(loss) for the year, net of tax		(7,63,091)	23,45,087
Total comprehensive income for the year		8,81,75,413	9,96,06,458
Earnings per Equity Share of INR 10 each	29		
Basic profit from operations attributable to equity holders of the parent		0.23	0.25
Diluted profit from operations attributable to equity holders of the parent		0.22	0.24

Significant Accounting Policies

2

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C.VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

SOUTH ASIA FM LIMITED

Statement of Changes in Equity for the Year ended 31 March 2021

(All amounts are in Indian Rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Number Of Shares	Amount
At 31 March 2020	38,18,59,817	3,81,85,98,170
Issue of share capital	-	-
At 31 March 2021	38,18,59,817	3,81,85,98,170

b. Other equity

For the year ended 31 March 2021

Particulars	Attributable to Equity holders of the parent			Items of OCI	Total
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	
As at 1st April 2020	40,46,74,345	1,31,50,00,000	-	(1,26,28,928)	1,70,70,45,417
Profit for the period	8,89,38,504	-	-	-	8,89,38,504
Other comprehensive income	-	-	-	(7,63,091)	(7,63,091)
Total Comprehensive Income	49,36,12,848	1,31,50,00,000	-	(1,33,92,018)	1,79,52,20,830
Issue of share capital	-	-	-	-	-
Transaction costs	-	-	-	-	-
Cash dividends	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-
At 31 March 2021	49,36,12,848	1,31,50,00,000	-	(1,33,92,018)	1,79,52,20,830

For the year ended 31 March 2020

Particulars	Attributable to Equity holders of the parent			Items of OCI	Total
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	
As at 1st April 2019	30,74,12,973	1,31,50,00,000	-	(1,49,74,014)	1,60,74,38,959
Profit for the period	9,72,61,371	-	-	-	9,72,61,371
Other comprehensive income	-	-	-	23,45,087	23,45,087
Total Comprehensive Income	40,46,74,345	1,31,50,00,000	-	(1,26,28,928)	1,70,70,45,417
Issue of share capital	-	-	-	-	-
Transaction costs	-	-	-	-	-
Cash dividends	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-
At 31 March 2020	40,46,74,345	1,31,50,00,000	-	(1,26,28,928)	1,70,70,45,417

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C.VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

SOUTH ASIA FM LIMITED
Cash Flow Statement for the Year ended 31st March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars		Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Cash flow from operating activities			
Net profit before tax and extraordinary items		8,89,38,504	9,62,65,423
Adjustments to reconcile:			
IND AS adjustments		(3,12,57,788)	(1,80,82,722)
Depreciation on tangible assets/investment property		5,86,83,355	7,55,98,281
Amortisation of intangible assets		14,15,88,903	14,21,50,513
Amortization of Right Of Use		5,14,26,092	5,17,76,558
(Profit)/Loss on sale of fixed assets/investment property, net		(16,50,850)	(59,33,186)
Provision for doubtful debts/Movie advances and other Assets		2,50,49,757	2,76,43,488
Bad debts written off		3,27,774	12,13,708
Liabilities / provisions no longer required written back		(25,37,43,208)	(61,33,309)
Interest income		(25,19,46,796)	(23,07,33,354)
Dividend income		(74,42,710)	(90,34,390)
Interest expense		1,55,862	3,11,193
Operating profit before working capital changes		(17,98,71,104)	12,50,42,203
Movements in working capital :			
(Increase) / Decrease in trade receivables		8,11,51,461	(1,33,73,064)
(Increase) / Decrease in other current assets/other financial assets		1,64,75,389	22,70,51,549
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		(2,11,60,852)	11,01,49,217
Increase / (Decrease) in provisions		(14,36,426)	(27,67,831)
Cash generated from operations		(10,48,41,532)	44,61,02,074
Direct taxes paid (net of refunds)		(2,72,01,069)	4,10,57,061
Net cash flow from / (used in) operating activities (A)	A	(7,76,40,463)	40,50,45,013
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances)		(2,47,18,968)	(3,50,11,424)
Purchase of intangible assets and expenditure on intangible assets under development		-	(71,06,889)
(including advances towards purchase of intangible assets)			
Purchase of investments		(13,41,35,716)	(63,14,25,930)
Proceeds from sale of assets		12,48,183	52,10,589
Interest received		25,19,46,796	23,07,33,356
Dividends received		74,42,710	90,34,390
Net cash from / (used in) investing activities (B)	B	10,17,83,005	(42,85,65,908)
Cash flow from financing activities			
Interest paid		(1,55,862)	(3,11,193)
Net cash (used in) / from financing activities (C)	C	(1,55,862)	(3,11,193)
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(A+B+C+D)	2,39,86,679	(2,38,32,088)
Opening balance of cash and cash equivalents	E	4,07,16,425	6,45,48,513
Closing balance of cash and cash equivalents	F	6,47,03,105	4,07,16,425
Net increase / (decrease) in cash and cash equivalents	(F-E)	2,39,86,679	(2,38,32,088)
Earmarked Balances with Banks	G	-	-
Closing cash and Bank Balance	(F+G)	6,47,03,105	4,07,16,425

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C.VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

1. CORPORATE INFORMATION

South Asia FM Limited ('the Company') is engaged in producing and broadcasting radio software programming in Indian regional languages. The Company operates 34 FM stations for which the license has been procured.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

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

2. Use Of Estimates

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

3. Property, Plant and Equipment

➤ Tangible Assets

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

➤ ***Intangible Assets***

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

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

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

4. Impairment

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

5. Employee Benefit Plans

- Employee benefit plans comprise both defined benefit and defined contribution plans.
- The company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ('LIC') based upon actuarial valuation.
- Provident fund is a defined contribution plan. Each eligible employee and the company make equal contributions at a percentage of the basic salary specified under the Employee's Provident Fund's and Miscellaneous Provisions Act, 1952. The company has no further obligations under the plan beyond its periodic contributions.

6. Current Taxation

- The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 to pay taxes at a lower rate subject to certain conditions.

7. Deferred Taxation

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

8. Investments

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

9. Financial Instruments

▪ Initial Recognition

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

▪ Subsequent Measurement

Financial assets carried at amortized cost

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

Financial Assets at fair value through profit or loss

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

Financial Liabilities

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

10. Revenue Recognition

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

11. License Fees

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

12. Foreign Currency Transactions

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

13. Preliminary Expenditure

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

14. Provisions and contingent Liabilities

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

15. Segment Reporting

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

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 3 - Property Plant & Equipment

Particulars	Plant & Machinery	Office Equipments	Furniture & Fitting	Leasehold Improvements	Motor Vehicles	Total
Gross Block						
At March 31, 2019	29,07,48,960	4,12,14,988	45,78,277	6,29,55,876	1,79,91,046	41,74,89,147
Additions	2,87,73,334	31,85,060	4,80,938	84,44,690	71,33,564	4,80,17,586
Impairment	-	-	-	-	(19,89,784)	(19,89,784)
Disposals	(21,32,026)	(8,10,388)	(84,259)	-	(57,21,994)	(87,48,667)
At March 31, 2020	31,73,90,268	4,35,89,660	49,74,956	7,14,00,566	1,74,12,832	45,47,68,282
Additions	95,65,428	8,05,866	-	2,05,792	-	1,05,77,086
Impairment	-	-	-	-	-	-
Disposals	(8,33,124)	(1,48,277)	(1,25,605)	-	(23,29,880)	(34,36,886)
At March 31, 2021	32,61,22,571	4,42,47,249	48,49,351	7,16,06,358	1,50,82,952	46,19,08,482
Depreciation						
At March 31, 2019	11,02,32,896	1,38,02,633	18,32,578	2,69,34,955	64,73,563	15,92,76,625
Charge for the year	4,52,88,366	56,52,779	7,66,762	2,09,37,193	29,53,181	7,55,98,281
Impairment	-	-	-	-	(4,89,166)	(4,89,166)
Disposals	(13,11,997)	(5,07,280)	(53,653)	-	(42,20,473)	(60,93,403)
At March 31, 2020	15,42,09,265	1,89,48,132	25,45,687	4,78,72,148	47,17,105	22,82,92,337
Charge for the year	3,45,57,074	47,79,172	5,94,321	1,49,73,415	37,79,373	5,86,83,355
Impairment	-	-	-	-	-	-
Disposals	(5,47,973)	(83,375)	(62,626)	-	(17,94,049)	(24,88,023)
At March 31, 2021	18,82,18,365	2,36,43,929	30,77,382	6,28,45,564	67,02,429	28,44,87,669
Provision impairment						
At March 31, 2019	-	-	-	-	-	-
Charge for the year	-	-	-	-	15,00,618	15,00,618
Disposals/Reversal	-	-	-	-	(15,00,618)	(15,00,618)
At March 31, 2020	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals/Reversal	-	-	-	-	-	-
At March 31, 2021	-	-	-	-	-	-
Net Block						
At March 31, 2020	16,31,81,003	2,46,41,528	24,29,269	2,35,28,418	1,26,95,727	22,64,75,945
At March 31, 2021	13,79,04,206	2,06,03,320	17,71,969	87,60,794	83,80,523	17,74,20,813

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 4 - Intangible Assets**

Particulars	Computer Software	Licenses	Total
Gross Block			
At March 31, 2019	25,40,250	2,11,81,13,434	2,12,06,53,684
Additions	-	71,06,889	71,06,889
Disposals	-	-	-
At March 31, 2020	25,40,250	2,12,52,20,323	2,12,77,60,573
Additions	-	-	-
Disposals	-	-	-
At March 31, 2021	25,40,250	2,12,52,20,323	2,12,77,60,573
Amortization			
At March 31, 2019	8,64,118	46,49,78,247	46,58,42,365
Charge for the year	11,58,354	14,09,92,159	14,21,50,513
Disposals	-	-	-
At March 31, 2020	20,22,472	60,59,70,406	60,79,92,878
Charge for the year	5,17,778	14,10,71,125	14,15,88,903
Disposals	-	-	-
At March 31, 2021	25,40,250	74,70,41,531	74,95,81,781
Net Block			
At March 31, 2020	5,17,778	1,51,92,49,917	1,51,97,67,695
At March 31, 2021	-	1,37,81,78,792	1,37,81,78,792

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 5. Financial assets (Non Current)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Investments in Associate Companies (Unquoted)		
Investments in Equity Instruments at Cost		
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
Investments in Debt Instruments at Amortised Cost		
Metro Digital Networks (Hyd) P Ltd	56,90,69,416	55,16,85,971
Deccan Digital Networks (Hyd) P Ltd	59,39,99,142	59,68,45,154
A.V.Digital Networks (Hyd) P Ltd	18,67,38,611	18,10,37,339
Total	2,62,50,59,450	2,60,48,20,744

Investments in Joint Ventures - (Unquoted)		
Investments in Equity Instruments at Cost		
Optimum Media Services P Ltd	51,86,84,160	51,86,84,160
Investments in Debt Instruments at Amortised Cost		
Optimum Media Services P Ltd	95,32,93,963	85,11,55,324
Total	1,47,19,78,123	1,36,98,39,484

Aggregate value of unquoted investments 4,09,70,37,572 3,97,46,60,228

Aggregate amount of impairment in value of investments - -

Note 6. Financial assets (Non-Current)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Loans (Secured considered good unless otherwise stated)		
Loans to Related parties	82,15,00,001	81,66,04,403
Total	82,15,00,001	81,66,04,403

Other Financial Assets		
Rental deposits	80,51,180	73,39,416
Deposits with Government agencies	2,06,45,087	1,84,25,585
Bank Deposits with original maturity for more than 12 months	-	1,05,04,375
Margin Money deposit	4,62,769	64,20,581
Total	2,91,59,036	4,26,89,957

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Non-Current Tax Assets		
Advance income tax (net of provision)	9,83,20,734	10,68,80,324
Total	9,83,20,734	10,68,80,324
Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current Tax Assets		
Advance income tax (net of provision)	1,55,11,577	3,41,53,055
Total	1,55,11,577	3,41,53,055

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Unsecured and considered good		
Capital advances	1,12,02,550	3,59,99,632
Prepaid expenses	3,50,04,729	3,97,86,233
Others	98,70,896	78,81,836
Total	5,60,78,174	8,36,67,701

Other Current Assets

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Prepaid expenses	6,34,59,423	6,29,08,270
Balances with statutory/government authorities	1,18,04,022	2,17,02,727
Others	2,81,09,156	5,50,42,953
Total	10,33,72,601	13,96,53,950

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 9. Trade Receivables****Trade and other receivables (current)**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade receivables	37,12,69,900	47,77,98,892
Total	37,12,69,900	47,77,98,892

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Outstanding for a period exceeding six months from the date they are due for payment		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	9,91,65,527	10,27,41,388
Doubtful	7,81,99,113	5,31,49,356
	17,73,64,639	15,58,90,744
Provision for doubtful receivables	(7,81,99,113)	(5,31,49,356)
	9,91,65,527	10,27,41,388
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	27,21,04,374	37,50,57,504
Doubtful	-	-
	27,21,04,374	37,50,57,504
Provision for doubtful receivables	-	-
	27,21,04,374	37,50,57,504
Total Trade receivables	37,12,69,900	47,77,98,892

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 10. Financial assets (Current)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Investments in Debt Instruments at fair value through profit or loss (FVTPL):		
HDFC Floating Rate Debt Fund - Daily Dividend 7167714.578 Units (Previous year : 6678010.795 Units)	7,22,54,147	6,73,20,359
HDFC Ultra Short Term Fund - Direct Growth 10009000.336 Units (Previous year :10009000.336 Units)	11,95,01,469	11,26,86,341
IDFC Bond Fund Short Term Plan - Monthly dividend Nil Units (Previous year: 6371627.466 Units)	-	6,50,18,636
IDFC Bond Fund Medium Term Plan - Quarterly dividend 1492435.601 Units (Previous year: Nil Units)	6,99,38,815	-
IDFC Ultra Short Term Fund - Direct Plan Growth 959232.614 Units (Previous year: 959232.614 Units)	1,14,83,070	1,09,41,391
ICICI Prudential Short Term Regular Plan - Growth Option 403600.919 Units (Previous year: 403600.919 Units)	1,85,10,430	1,70,19,568
ICICI Prudential Floating Interest Fund Direct Plan Growth 39670.770 Units (Previous year: 39670.770 Units)	1,36,57,000	1,25,49,475
TATA Treasury Advantage Fund Regular Plan - Growth 11772.765 Units (Previous year: 11772.765 Units)	3,61,95,402	3,39,82,804
Tata Bond Fund Regular Plan Growth 206969.919 Units (Previous year: 206969.919 Units)	78,43,498	73,21,416
TATA Treasury Advantage fund regular plan - Growth Segregated Portfolio 11772.765 Units (Previous year: 11772.765)	3,66,387	4,61,461
PGIM India Insta Cash Fund -Direct Plan Growth 347311.010 Units (Previous year: 347311.01 Units)	9,30,99,772	8,97,18,144
Total	44,28,49,990	41,70,19,595

Aggregate book value of quoted investments	38,82,44,393	38,00,30,093
Aggregate market value of quoted investments	44,28,49,990	41,70,19,595

Other Financial Assets

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Interest accrued fixed deposits	48,05,001	52,70,321
Other receivables (from Related Parties)	23,600	20,700
Interest Receivable	7,60,60,176	4,70,22,042
Total	8,08,88,777	5,23,13,063

Note 11.1 Cash and Cash Equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balances with banks:		
– On current accounts	6,44,63,461	4,02,13,308
Cash on hand	2,39,644	5,03,117
Total	6,47,03,105	4,07,16,425

Note 11.2 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Deposits with original maturity for more than 3 months but less than 12 months	53,08,25,797	50,82,90,033
Margin Money deposit	10,51,14,276	9,52,99,345
Total	63,59,40,073	60,35,89,378

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note - 12. Equity Share Capital

Particulars	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2020
Authorised Capital				
401,000,000 Equity Shares of Rs. 10/- each (31-Mar-2020: 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-2020: 254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)		2,54,00,00,000		2,54,00,00,000
		6,55,00,00,000		6,55,00,00,000
Issued, Subscribed and Paid-up Capital				
381,859,817 Equity Shares of Rs.10/- each fully paid up (31-Mar-2020: 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-2020: 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)	
		-		-
		3,81,85,98,170		3,81,85,98,170

(i) Reconciliation of the number of shares outstanding:

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

(ii) Term/Rights attached to 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 quarter ended March 31, 2021, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL /- share (March 31, 2020: 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-2021		As at 31-Mar-2020	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Name of the shareholders				
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 Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 13. Other Equity**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
233,500,683 0.1 % Compulsorily Convertible Preference Shares of Rs. 10 /- each (31-Mar-2020: 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	48,02,20,830	39,20,45,417
Total	4,13,02,27,660	4,04,20,52,247

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)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Other financial liabilities at amortised cost		
Rental deposit from related parties	20,000	20,000
Payable to employees	-	-
Lease Liability	47,16,89,880	49,07,72,379
Total	47,17,09,880	49,07,92,379

Note 15.1 Trade Payables - Non-Current

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables	25,60,79,441	47,63,49,744
Total	25,60,79,441	47,63,49,744

Note 15.2 Trade Payables - Current

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables	2,72,79,873	2,84,65,661
Total	2,72,79,873	2,84,65,661

As at March 31, 2021 and March 31, 2020, 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)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Other financial liabilities		
Payable to employees	1,93,28,738	2,80,74,539
Outstanding liabilities	78,21,814	4,44,53,351
Other Payables (to Related Parties)	1,45,282	3,26,276
Lease Liability	8,71,58,586	8,31,08,552
Total	11,44,54,420	15,59,62,718

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 17. Other Current Liabilities**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Statutory Dues	2,31,35,800	3,05,78,659
Advances from customers	32,55,879	37,02,659
Total	2,63,91,678	3,42,81,318

Note 18. Provisions

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Short-term provisions		
Provision for leave encashment	19,92,645	37,50,111
Provision for gratuity	26,91,869	41,72,386
Total	46,84,514	79,22,497

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Long-term provisions		
Provision for leave encashment	1,83,92,189	1,65,90,632
Total	1,83,92,189	1,65,90,632

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 19. Revenue from Services**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Advertising income	71,65,36,209	1,26,56,75,602
Total	71,65,36,209	1,26,56,75,602

Note 20. Other Income

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Dividend income on current investments	74,42,710	90,34,390
Net gain on sale of current investments	13,51,527	50,85,718
Fair Value Gain on Financial Instruments at FVTPL(net)	1,76,16,096	1,09,22,797
Liabilities not required to be paid written back	25,37,43,208	61,33,309
Profit on Sale of Assets (net)	2,99,323	8,47,468
Miscellaneous Income	2,15,310	2,15,929
Total	28,06,68,174	3,22,39,611

Note 21. Finance Income

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Interest income		
- on bank deposits	4,03,95,355	5,18,16,417
- on loans to associates /deposits	15,78,60,774	15,10,78,819
- on IT refund	53,48,276	-
- on other loans	4,83,42,391	2,78,38,118
Total	25,19,46,796	23,07,33,354

Note 22. Cost of Revenues

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Program production expenses	10,79,95,337	21,25,43,242
Licenses	15,17,56,229	16,05,65,241
Total	25,97,51,566	37,31,08,483

Note 23. Employees' Benefits Expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	39,36,75,243	44,51,72,609
Gratuity expense	58,45,037	73,48,342
Leave Encashment	44,090	45,65,749
Contributions to provident fund and other funds	2,70,54,027	2,88,59,023
Staff welfare expense	15,45,429	22,86,548
Total	42,81,63,825	48,82,32,271

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 24. Other Expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Legal and professional fees	1,90,36,833	1,83,20,031
Travel and conveyance	11,79,576	81,70,705
Rent	10,45,596	11,33,054
Power and Fuel	5,34,13,646	6,49,29,817
Repairs and maintenance		
- Plant and machinery	26,65,661	99,54,842
- Others	58,52,668	73,28,358
Communication	81,36,034	1,07,07,733
Expenditure on Corporate Social Responsibility	59,72,000	1,14,05,719
Utilities	2,22,87,038	2,35,12,448
Insurance	6,44,941	14,70,412
Bad debts written off	3,27,774	12,13,708
Provision for doubtful debts (net of reversals)	2,50,49,757	2,76,43,488
Rates and taxes	4,77,237	6,18,213
Miscellaneous expenses	5,86,873	8,94,224
Total	14,66,75,632	18,73,02,751

Payment to auditor

Particulars	Year ended	
	March 31, 2021	March 31, 2020
As auditor:		
Audit fee	1,00,000	1,00,000
In other capacity:		
Other services	9,10,000	8,95,000
Total	10,10,000	9,95,000

Corporate Social Responsibility (CSR)

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

	59,70,328	86,04,281
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Amount Spent during the year on 31-Mar-21	Paid	Yet to be paid
Construction/acquisition of any asset	-	-
On purposes other than above	59,72,000	-
	59,72,000	-
Contribution made to Related Parties		-

Amount Spent during the year on 31-Mar-20	Paid	Yet to be paid
Construction/acquisition of any asset	-	-
On purposes other than above	1,14,05,719	-
	1,14,05,719	-
Contribution made to Related Parties	62	-

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 25. Advertisement & marketing expenses**

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Advertisement and marketing expenses	51,20,124	4,41,29,232
Total	51,20,124	4,41,29,232

Note 26. Depreciation and amortization expense

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Depreciation of tangible assets (Note 3)	5,86,83,355	7,55,98,281
Amortization of intangible assets (Note 4)	14,15,88,902	14,21,50,513
Amortization of Right Of Use	5,14,26,092	5,17,76,558
Total	25,16,98,349	26,95,25,352

Note 27. Finance Costs

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Interest		
- on loans	-	-
- others	19,654	1,05,866
Bank charges	1,36,208	2,05,327
Lease Interest Expense Ind AS	6,86,47,316	6,97,73,862
Total	6,88,03,178	7,00,85,055

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(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:

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Re-measurement gains (losses) on defined benefit plans	(7,63,091)	31,33,802
Others (if any)	-	-
Total	(7,63,091)	31,33,802

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:

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Profit after tax (Rs. in crores)	8,89,38,504	9,72,61,371
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	0.233	0.25
- Diluted	0.219	0.24

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(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, 2021	Year ended March 31, 2020
Contribution to Provident Fund	2,68,39,946	2,85,71,594

Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Recognized in profit or loss:		
Current service cost	67,89,062	69,72,329
Interest cost on benefit obligation	8,046	3,76,013
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	-	81,783
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	-	(75,65,621)
Experience adjustments	(5,54,581)	39,85,385
Return on Plan Assets (Greater) / Less than Discount rate	3,76,425	3,64,651
Recognized in other comprehensive income	(1,78,156)	(31,33,802)
Net benefit expense	66,18,952	42,14,540

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation	4,84,67,692	4,26,16,173
Fair value of plan assets	4,57,75,824	3,84,43,787
Plan Liability / (Asset)	26,91,868	41,72,386

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening defined benefit obligation	4,26,16,174	3,87,83,292
Current service cost	67,89,062	69,72,329
Interest cost	26,94,674	24,74,786
Actuarial (gains) / losses on obligation	(5,54,581)	(34,98,452)
Benefits paid	(30,77,636)	(21,15,781)
Closing defined benefit obligation	4,84,67,693	4,26,16,174

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Fair value of planned assets at the beginning of the year	3,84,43,786	2,72,77,325
Expected return on plan assets	26,86,629	20,98,773
Contributions	80,99,470	1,15,48,120
Benefits paid	(30,77,636)	(21,15,781)
Actuarial gain / (loss) on plan assets	(3,76,425)	(3,64,651)
Fair value of plan assets at the end of the year	4,57,75,824	3,84,43,786

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Discount rate	6.56%	6.56%
Expected rate of return on assets	6.56%	6.56%
Employee turnover	15.00%	15.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***30.1 The major categories of plan assets of the fair value of the total plan assets are as follows:****Gratuity plan**

Particulars	March 31, 2021	March 31, 2020
Investments details		
Funds with LIC	4,57,75,824	3,84,43,786
Total	4,57,75,824	3,84,43,786

A quantitative sensitivity analysis for significant assumption as at 31 March, 2021 is as shown below:

Gratuity plan:

Assumptions	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Impact on defined benefit obligation	(29,63,692)	33,42,928	29,39,123	(26,93,796)

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

Assumptions	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	56,27,519	40,69,743
Between 2 and 5 years	17,90,926	72,95,338
Between 5 and 10 years	97,14,792	81,76,019
Total expected payments	1,71,33,237	1,95,41,100

South Asia FM Limited**Notes to Financial Statements for the Year ended 31st March, 2021***(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

Associates /Joint Ventures

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

Optimum Media Services P Ltd

Key Management personnel

Mr. K.Shanmugam - Managing Director

Mr. C. Venkatesh - Company Secretary

Mr. J. Ravindran - Director

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advertisement Revenue								
Sun TV Network Limited	-	6,38,625	-	-	-	-	-	-
Rental Income								
Sun Direct TV Pvt Ltd	-	-	2,15,000	2,15,000	-	-	-	-
Interest Income								
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	2,75,87,342	2,57,90,465	-	-
Sun Direct TV Pvt Ltd	-	-	4,83,42,391	2,78,38,118	-	-	-	-

South Asia FM Limited
Notes to Financial Statements for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

South Asia FM Limited
Notes to Financial Statements for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 31. Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Joint Ventures/ associates		Key managerial personnel / Relatives of Key managerial personnel	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rent Expense								
Sun TV Network Limited	15,08,841	14,37,008	-	-	-	-	-	-
Business Support Services								
Sun TV Network Limited	18,10,103	17,72,609	-	-	-	-	-	-
Remuneration/Ex-gratia/Bonus payable								
Mr. C. Venkatesh	-	-	-	-	-	-	51,72,221	52,55,144

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiaries / Joint Venture	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balances Outstanding:						
Other Receivables						
Sun Direct TV Pvt Limited	-	-	23,600	20,700	-	-
Loans & Advances						
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	32,15,00,001	31,66,04,403
Sun Direct TV Pvt Limited	-	-	50,00,00,000	50,00,00,000	-	-
Rental and other deposits						
Sun Direct TV Pvt Limited	-	-	20,000	20,000	-	-
Accounts Payable / Other Current Liabilities						
Sun Tv Network Limited	7,44,607	6,42,267	-	-	-	-
Other Financial Assets						
Interest Receivable						
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	6,48,10,177	3,98,08,927
Sun Direct TV Pvt Limited	-	-	1,12,50,001	72,13,115	-	-

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(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:

Particulars	Carrying Value		Fair Value	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Financial Assets				
(Non Current & Current)				
Investments in Mutual Funds	44,28,49,990	41,70,19,595	44,28,49,990	41,70,19,595
Investments in Associate companies	2,62,50,59,450	2,60,48,20,744	2,62,50,59,450	2,60,48,20,744
Investments in joint ventures	1,47,19,78,123	1,36,98,39,484	1,47,19,78,123	1,36,98,39,484
Total	4,53,98,87,562	4,39,16,79,822	4,53,98,87,562	4,39,16,79,822

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 2021:

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31-Mar-21	44,28,49,990	44,28,49,990	-	-
Investments in Associate companies	31-Mar-21	2,62,50,59,450	-	2,62,50,59,450	-
Investments in joint ventures	31-Mar-21	1,47,19,78,123	-	1,47,19,78,123	-
Assets for which fair values are disclosed:					
Investment Properties	31-Mar-21	-	-	-	-

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 2020:

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31-Mar-20	41,70,19,595	41,70,19,595	-	-
Investments in Associate companies	31-Mar-20	2,60,48,20,744	-	2,60,48,20,744	-
Investments in joint ventures	31-Mar-20	1,36,98,39,484	-	1,36,98,39,484	-
Assets for which fair values are disclosed:					
Investment Properties	31-Mar-20	-	-	-	-

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.

Impact of COVID-19

The Company based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

Market Risk

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

Credit risk

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

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 34. Right of Use and Lease Liability

Right of Use Assets

	Building	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening Gross carrying amount	58,28,32,477	58,28,32,477
Reclassification from property, plant & equipment	-	-
Recognition on account of IND AS 116	-	-
Additions	-	-
Disposals	(21,53,863)	(21,53,863)
Closing gross carrying amount	58,06,78,615	58,06,78,615
Accumulated depreciation / amortisation		
Opening Accumulated depreciation / amortisation	5,12,23,092	5,12,23,092
Reclassification from property, plant & equipment	-	-
Depreciation / amortisation charge during the year	5,14,26,092	5,14,26,092
Disposals	-	-
Closing accumulated depreciation / amortisation	10,26,49,184	10,26,49,184
Net carrying amount as at March 31, 2021	47,80,29,430	47,80,29,430

34.1 The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

34.2. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows:

Particulars	Amount
Decrease in Property, Plant and equipment by	-
Increase / (decrease) in lease liability by	(1,50,32,464)
Increase / (decrease) in right of use assets by	(5,35,79,955)
Increase/(decrease) in finance cost by	6,86,47,316
Increase/(decrease) in depreciation by	5,14,26,092
Increase/(decrease) in rent by	8,15,25,919

34.3. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
Balance as on April 1, 2020	57,38,80,933
Recognition on account of adoption of Ind AS 116	-
Additions	-
Finance costs accrued during the period	6,86,47,316
Deletions	(21,53,863)
Payment of lease liabilities	(8,15,25,919)
Balance as on March 31, 2021	55,88,48,467

34.4. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(Undiscounted)	(Discounted)
	As at March 31, 2021	As at March 31, 2020
Less than one year	8,71,58,586	7,42,04,065
One to five years	50,26,08,268	30,64,10,382
More than five years	40,84,25,007	19,32,66,485
Total	99,81,91,861	57,38,80,931

34.5. Amounts recognized in statement of profit or loss

Particulars	2020-21	2019-20
Interest on lease liabilities	6,86,47,316	6,97,73,862
Variable lease payments not included in the lease payment liabilities	-	-
Income from sub-leasing right of use assets	2,15,000	2,15,000
Expenses relating to short- term leases	-	-
Expenses relating to leases of low- value assets, excluding short term leases of low value asse	-	-

34.6. Amounts recognized in cash flow statement

Particulars	2020-21	2019-20
Total cash outflows for leases	8,15,25,919	7,92,78,872

34.7. The average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 12%

SOUTH ASIA FM LIMITED**Notes to Financial Statements for the Year ended 31st March, 2021**

(All amounts are in Indian Rupees unless otherwise stated)

Note 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 3% and 7%. The Company includes within net debt, trade and other payables, less cash and cash equivalents.

Return on Equity	31.03.2021	31.03.2020
Profit Before Taxes	8,89,38,504	9,62,65,423
Less: Finance Income	(25,19,46,796)	(23,07,33,354)
Add: Finance cost	6,88,03,178	7,00,85,055
Earnings before Net interest and Tax	(9,42,05,114)	(6,43,82,876)
Equity Share Capital	3,81,85,98,170	3,81,85,98,170
Other Equity	4,13,02,27,660	4,04,20,52,247
Capital Employed	7,94,88,25,830	7,86,06,50,417
ROCE	(1.19)	(0.82)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2021 and 31 March, 2020.

SOUTH ASIA FM LIMITED

Notes to Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 36. Note on FM Radio Licences

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

Note 37. Exceptional items

Particulars	Year ended	
	As at 31-Mar-2021	As at 31-Mar-2020
Impairment of Property, Plant & Equipment	-	15,00,618
(A)	-	15,00,618
Insurance claim against submerged assets	-	17,07,851
(B)	-	17,07,851
Exceptional items (Net) (B) - (A)	-	2,07,233

During the previous year 2019-20, Company's car sustained damage due to floods in Ahmedabad. This car has been assessed as being beyond economic repair and declared a total loss. Accordingly, the carrying value of the insurance claim of Rs. 17,41,248 /- received from the insurers. The impairment loss on the car as at the date of the incident of Rs. 15,00,618 /- has been recorded as impairment loss. Company has recognised account of the damage to the car and related proceeds receivable from the insurance company, as discussed above, have been recorded and disclosed as exceptional item.

Note 38. Ind AS Impact in Profit & Loss Account

Particulars	Note No.	Year ended	
		March 31, 2021	March 31, 2020
Income			
Finance Income - on loans to Associates / deposits	21	13,02,73,433	12,52,88,354
Fair Value Gain on Financial Instruments at FVTPL(net)	20	1,76,16,096	1,09,22,797
		14,78,89,528	13,62,11,151
Expenditure			
Amortization of Right Of Use	26	5,14,26,092	5,17,76,558
Lease Interest Expense	27	6,86,47,316	6,97,73,862
Rent	24	10,10,596	10,92,854
Licences	22	34,12,486	37,28,630
		12,44,96,489	12,63,71,904
Net Impact		2,33,93,039	98,39,247

Note 39. Prior year comparatives

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

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 associates and joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2021, 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, 2021, 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. I have determined that there are no key audit matters to communicate in my report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with the audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 2021, 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, 2021 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, 2021 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 the requirements of section 197(16) of the Act, as amended;

In my opinion and to the best of the information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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 25, 2021

N. Priya
Chartered Accountant
Membership # 223834
UDIN: 21223834AAAAAP8011

“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, 2021 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, 2021, 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.

Place : Chennai

Date : May 25, 2021

N. Priya

Chartered Accountant

Membership # 223834

UDIN: 21223834AAAAAP8011

SOUTH ASIA FM LIMITED
Consolidated Balance Sheet as at 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31-March-2021	As at 31-Mar-2020
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	17,74,20,813	22,64,75,945
Capital Work-in-Progress		1,75,57,252	34,15,370
Intangible assets	4	1,37,81,78,792	1,51,97,67,695
Right to Use Assets		47,80,29,430	53,16,09,385
Financial Assets			
Investments in Associate Companies	5	1,97,42,40,313	2,05,12,07,882
Investments in Joint Ventures	5	1,49,48,40,196	1,49,24,32,217
Loans	6	82,14,85,796	81,65,90,195
Other Financial Assets	6	2,91,59,036	4,26,89,957
Tax Assets	7	9,83,20,733	10,68,80,324
Other non current assets	8	5,60,78,174	8,36,67,700
		6,52,53,10,535	6,87,47,36,670
Current Assets			
Financial Assets			
Trade receivables	9	37,12,69,900	47,77,98,892
Investment	10	44,28,49,990	41,70,19,595
Other Financial Assets	10	8,08,88,777	5,23,13,063
Tax Assets	7	1,55,11,577	3,41,53,055
Cash and Cash Equivalents	11.1	6,47,03,105	4,07,16,425
Bank Balances Other than Cash and Cash Equivalents	11.2	63,59,40,073	60,35,89,378
Other current assets	8	10,33,72,600	13,96,53,952
		1,71,45,36,022	1,76,52,44,360
Total Assets		8,23,98,46,557	8,63,99,81,030
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	3,81,85,98,170	3,81,85,98,170
Other Equity			
General Reserve			-
Other Reserves	13	3,50,22,56,391	3,61,10,17,911
Equity attributable to the equity holders of the parent		7,32,08,54,561	7,42,96,16,081
		-	-
Total Equity		7,32,08,54,561	7,42,96,16,081
Non-Current Liabilities			
Financial Liabilities			
Trade payables	15.1	25,60,79,441	47,63,49,744
Other financial liabilities	14	47,17,09,880	49,07,92,379
Provisions	18	1,83,92,190	1,65,90,632
Tax liability		-	-
Other Non-Current Liabilities		-	-
		74,61,81,511	98,37,32,755
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	2,72,79,873	2,84,65,661
Other current financial liabilities	16	11,44,54,420	15,59,62,718
Tax liability	7	-	-
Other Current Liabilities	17	2,63,91,678	3,42,81,317
Provisions	18	46,84,514	79,22,497
Total Liabilities		17,28,10,485	22,66,32,194
		-	-
TOTAL EQUITY AND LIABILITIES		8,23,98,46,557	8,63,99,81,030

Significant Accounting Policies

2

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

SOUTH ASIA FM LIMITED
Consolidated Statement Of Profit And Loss for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note No.	Year Ended	
		March 31, 2021	March 31, 2020
Income			
Revenue from Operations	19	71,65,36,209	1,26,56,75,602
Other Income	20	28,06,68,174	3,22,39,611
Finance Income	21	25,19,46,796	23,07,33,354
Total Income		1,24,91,51,179	1,52,86,48,567
Expenses			
Costs of revenues	22	25,97,51,566	37,31,08,483
Employees' benefits expense	23	42,81,63,825	48,82,32,271
Other expenses	24	14,66,75,632	18,73,02,752
Advertisement and marketing expenses	25	51,20,124	4,41,29,232
Depreciation and amortization expense	26	25,16,98,349	26,95,25,352
Finance costs	27	6,88,03,178	7,00,85,055
Total Expense		1,16,02,12,675	1,43,23,83,145
Profit (Loss) Before Exceptional Item and Tax		8,89,38,504	9,62,65,422
Exceptional Item (Net)		-	2,07,233
Profit (Loss) Before Tax		8,89,38,504	9,64,72,655
Current Taxes		-	(7,88,715)
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
Income Tax Expense		-	(7,88,715)
Profit for the Year		8,89,38,504	9,72,61,370
Share of Profits from Associates		(19,69,36,932)	(16,74,16,591)
		(10,79,98,429)	(7,01,55,221)
Other Comprehensive Income:			
(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Others (Specify nature)			
Income tax effect			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement Gains or (losses) on defined benefit obligations (net)	28	(7,63,091)	31,33,802
Income tax effect		-	(7,88,715)
Others (Specify nature)		(7,63,091)	23,45,087
Income tax effect		-	-
		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(7,63,091)	23,45,087
Other comprehensive income/(loss) for the year, net of tax		(7,63,091)	23,45,087
Total comprehensive income for the year		(10,87,61,519)	(6,78,10,134)
Earnings per Equity Share of INR 10 each	29		
Basic profit from operations attributable to equity holders of the parent		-0.28	-0.18
Diluted profit from operations attributable to equity holders of the parent		-0.27	-0.17

Significant Accounting Policies

2

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

SOUTH ASIA FM LIMITED
Consolidated Cash Flow Statement for the Year ended 31st March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars		Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
Cash flow from operating activities			
Net profit before tax and extraordinary items		8,89,38,504	9,62,65,422
Adjustments to reconcile:			
IND AS adjustments		(3,12,57,788)	(1,80,82,722)
Depreciation on tangible assets/investment property		5,86,83,355	7,55,98,281
Amortisation of intangible assets		14,15,88,903	14,21,50,513
Amortization of Right Of Use		5,14,26,092	5,17,76,558
(Profit)/Loss on sale of fixed assets/investment property, net		(16,50,850)	(59,33,186)
Provision for doubtful debts/Movie advances and other Assets		2,50,49,758	2,76,43,489
Bad debts written off		3,27,774	12,13,708
Liabilities / provisions no longer required written back		(25,37,43,208)	(61,33,310)
Interest income		(25,19,46,796)	(23,07,33,354)
Dividend income		(74,42,710)	(90,34,390)
Interest expense		1,55,862	3,11,192
Operating profit before working capital changes		-17,98,71,103	12,50,42,203
Movements in working capital :			
(Increase) / Decrease in trade receivables		8,11,51,459	(1,33,73,064)
(Increase) / Decrease in other current assets/other financial assets		1,64,75,389	22,70,51,549
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		(2,11,60,852)	11,01,49,217
Increase / (Decrease) in provisions		(14,36,426)	(27,67,831)
Cash generated from operations		-10,48,41,533	44,61,02,074
Direct taxes paid (net of refunds)		-2,72,01,070	4,10,57,062
Net cash flow from / (used in) operating activities (A)	A	-7,76,40,463	40,50,45,012
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances)		(2,47,18,968)	(3,50,11,424)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)		-	(71,06,889)
Purchase of investments		(13,41,35,718)	(63,14,25,928)
Proceeds from sale of assets		12,48,183	52,10,589
Interest received		25,19,46,796	23,07,33,354
Dividends received		74,42,710	90,34,390
Net cash from / (used in) investing activities (B)	B	10,17,83,003	(42,85,65,908)
Cash flow from financing activities			
Interest paid		(1,55,862)	(3,11,192)
Net cash (used in) / from financing activities (C)	C	(1,55,862)	(3,11,192)
Exchange differences on translation of foreign currency cash and cash equivalents (D)			
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(A+B+C+D)	2,39,86,678	(2,38,32,087)
Opening balance of cash and cash equivalents	E	4,07,16,425	6,45,48,512
Closing balance of cash and cash equivalents	F	6,47,03,105	4,07,16,425
Net increase / (decrease) in cash and cash equivalents	(F-E)	2,39,86,679	(2,38,32,087)
Earmarked Balances with Banks	G	-	-
Closing cash and Bank Balance	(F+G)	6,47,03,105	4,07,16,425

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021

1. CORPORATE INFORMATION

South Asia FM Limited ('the Company') is engaged in producing and broadcasting radio software programming in Indian regional languages. The Company operates 34 FM stations for which the license has been procured.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

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

2. Use Of Estimates

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

3. Property, Plant and Equipment

➤ Tangible Assets

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

➤ ***Intangible Assets***

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

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

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

4. Impairment

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

5. Employee Benefit Plans

- Employee benefit plans comprise both defined benefit and defined contribution plans.
- The company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ('LIC') based upon actuarial valuation.
- Provident fund is a defined contribution plan. Each eligible employee and the company make equal contributions at a percentage of the basic salary specified under the Employee's Provident Fund's and Miscellaneous Provisions Act, 1952. The company has no further obligations under the plan beyond its periodic contributions.

6. Current Taxation

- The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 to pay taxes at a lower rate subject to certain conditions.

7. Deferred Taxation

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

8. Investments

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

9. Financial Instruments

▪ Initial Recognition

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

▪ Subsequent Measurement

Financial assets carried at amortized cost

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

Financial Assets at fair value through profit or loss

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

Financial Liabilities

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

10. Revenue Recognition

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

11. License Fees

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

12. Foreign Currency Transactions

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

13. Preliminary Expenditure

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

14. Provisions and contingent Liabilities

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

15. Segment Reporting

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

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 3 - Property Plant & Equipment

Particulars	Plant & Machinery	Office Equipments	Furniture & Fitting	Leasehold Improvements	Motor Vehicles	Total
Gross Block						
At March 31, 2019	29,07,48,960	4,12,14,988	45,78,277	6,29,55,876	1,79,91,046	41,74,89,147
Additions	2,87,73,334	31,85,060	4,80,938	84,44,690	71,33,564	4,80,17,586
Impairment	-	-	-	-	(19,89,784)	(19,89,784)
Disposals	(21,32,026)	(8,10,388)	(84,259)	-	(57,21,994)	(87,48,667)
At March 31, 2020	31,73,90,268	4,35,89,660	49,74,956	7,14,00,566	1,74,12,832	45,47,68,282
Additions	95,65,428	8,05,866	-	2,05,792	-	1,05,77,086
Impairment	-	-	-	-	-	-
Disposals	(8,33,124)	(1,48,277)	(1,25,605)	-	(23,29,880)	(34,36,886)
At March 31, 2021	32,61,22,571	4,42,47,249	48,49,351	7,16,06,358	1,50,82,952	46,19,08,482
Depreciation						
At March 31, 2019	11,02,32,896	1,38,02,633	18,32,578	2,69,34,955	64,73,563	15,92,76,625
Charge for the year	4,52,88,366	56,52,779	7,66,762	2,09,37,193	29,53,181	7,55,98,281
Impairment	-	-	-	-	(4,89,166)	(4,89,166)
Disposals	(13,11,997)	(5,07,280)	(53,653)	-	(42,20,473)	(60,93,403)
At March 31, 2020	15,42,09,265	1,89,48,132	25,45,687	4,78,72,148	47,17,105	22,82,92,337
Charge for the year	3,45,57,074	47,79,172	5,94,321	1,49,73,415	37,79,373	5,86,83,355
Impairment	-	-	-	-	-	-
Disposals	(5,47,973)	(83,375)	(62,626)	-	(17,94,049)	(24,88,023)
At March 31, 2021	18,82,18,365	2,36,43,929	30,77,382	6,28,45,564	67,02,429	28,44,87,669
Provision impairment						
At March 31, 2019	-	-	-	-	-	-
Charge for the year	-	-	-	-	15,00,618	15,00,618
Disposals/Reversal	-	-	-	-	(15,00,618)	(15,00,618)
At March 31, 2020	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals/Reversal	-	-	-	-	-	-
At March 31, 2021	-	-	-	-	-	-
Net Block						
At March 31, 2020	16,31,81,003	2,46,41,528	24,29,269	2,35,28,418	1,26,95,727	22,64,75,945
At March 31, 2021	13,79,04,206	2,06,03,320	17,71,969	87,60,794	83,80,523	17,74,20,813

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 4 - Intangible Assets

Particulars	Computer Software	Licenses	Total
Gross Block			
At March 31, 2019	25,40,250	2,11,81,13,434	2,12,06,53,684
Additions	-	71,06,889	71,06,889
Disposals	-	-	-
At March 31, 2020	25,40,250	2,12,52,20,323	2,12,77,60,573
Additions	-	-	-
Disposals	-	-	-
At March 31, 2021	25,40,250	2,12,52,20,323	2,12,77,60,573
Amortization			
At March 31, 2019	8,64,118	46,49,78,247	46,58,42,365
Charge for the year	11,58,354	14,09,92,159	14,21,50,513
Disposals	-	-	-
At March 31, 2020	20,22,472	60,59,70,406	60,79,92,878
Charge for the year	5,17,778	14,10,71,125	14,15,88,903
Disposals	-	-	-
At March 31, 2021	25,40,250	74,70,41,531	74,95,81,781
Net Block			
At March 31, 2020	5,17,778	1,51,92,49,917	1,51,97,67,695
At March 31, 2021	-	1,37,81,78,792	1,37,81,78,792

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 5. Financial assets (Non Current)**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Investments in Associate Companies (Unquoted)		
Investments in Equity Instruments at Cost		
Metro Digital Networks (Hyd) P Ltd	79,20,146	8,43,95,575
Deccan Digital Networks (Hyd) P Ltd	18,75,63,416	20,44,45,501
A.V.Digital Networks (Hyd) P Ltd	6,50,84,156	6,50,84,156
Pioneer Radio Training Services P Ltd	28,63,88,810	30,31,15,800
Asia Radio Broadcast P Ltd	14,74,00,232	13,98,99,925
Investments in Debt Instruments at Amortised Cost		
Metro Digital Networks (Hyd) P Ltd	56,90,69,416	55,16,85,971
Deccan Digital Networks (Hyd) P Ltd	59,39,99,142	59,68,45,154
A.V.Digital Networks (Hyd) P Ltd	11,68,14,995	10,57,35,800
Total	1,97,42,40,313	2,05,12,07,882

Investments in Joint Ventures - (Unquoted)		
Investments in Equity Instruments at Cost		
Optimum Media Services P Ltd	54,15,46,233	64,12,76,893
Investments in Debt Instruments at Amortised Cost		
Optimum Media Services P Ltd	95,32,93,963	85,11,55,324
Total	1,49,48,40,196	1,49,24,32,217

Aggregate value of unquoted investments	3,46,90,80,509	3,54,36,40,099
Aggregate amount of impairment in value of investments	-	-

Note 6. Financial assets (Non-Current)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Loans (Secured considered good unless otherwise stated)		
Loans to Related parties	82,14,85,796	81,65,90,195
Total	82,14,85,796	81,65,90,195

Other Financial Assets		
Rental deposits	80,51,180	73,39,416
Deposits with Government agencies	2,06,45,087	1,84,25,585
Bank Deposits with original maturity for more than 12 months	-	1,05,04,375
Margin Money deposit	4,62,769	64,20,581
Total	2,91,59,036	4,26,89,957

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 7. Tax Assets/(Liabilities)**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Non-Current Tax Assets		
Advance income tax (net of provision)	9,83,20,733	10,68,80,324
Total	9,83,20,733	10,68,80,324
Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current Tax Assets		
Advance income tax (net of provision)	1,55,11,577	3,41,53,055
Total	1,55,11,577	3,41,53,055

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Unsecured and considered good		
Capital advances	1,12,02,550	3,59,99,631
Prepaid expenses	3,50,04,729	3,97,86,233
Others	98,70,895	78,81,836
Total	5,60,78,174	8,36,67,700
Other Current Assets		
Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Prepaid expenses	6,34,59,423	6,29,08,271
Balances with statutory/government authorities	1,18,04,022	2,17,02,727
Others	2,81,09,155	5,50,42,953
Total	10,33,72,600	13,96,53,952

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 9. Trade Receivables****Trade and other receivables (current)**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade receivables	37,12,69,900	47,77,98,892
Total	37,12,69,900	47,77,98,892

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Outstanding for a period exceeding six months from the date they are due for payment		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	9,91,65,527	10,27,41,388
Doubtful	7,81,99,113	5,31,49,356
	17,73,64,639	15,58,90,744
Provision for doubtful receivables	(7,81,99,113)	(5,31,49,356)
	9,91,65,527	10,27,41,388
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	27,21,04,374	37,50,57,504
Doubtful	-	-
	27,21,04,374	37,50,57,504
Provision for doubtful receivables	-	-
	27,21,04,374	37,50,57,504
Total Trade receivables	37,12,69,900	47,77,98,892

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 10. Financial assets (Current)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Investments in Debt Instruments at fair value through profit or loss (FVTPL):		
HDFC Floating Rate Debt Fund - Daily Dividend 7167714.578 Units (Previous year : 6678010.795 Units)	7,22,54,147	6,73,20,359
HDFC Ultra Short Term Fund - Direct Growth 10009000.336 Units (Previous year :10009000.336 Units)	11,95,01,469	11,26,86,341
IDFC Bond Fund Short Term Plan - Monthly dividend Nil Units (Previous year: 6371627.466 Units)	-	6,50,18,636
IDFC Bond Fund Medium Term Plan - Quarterly dividend 1492435.601 Units (Previous year: Nil Units)	6,99,38,815	-
IDFC Ultra Short Term Fund - Direct Plan Growth 959232.614 Units (Previous year: 959232.614 Units)	1,14,83,070	1,09,41,391
ICICI Prudential Short Term Regular Plan - Growth Option 403600.919 Units (Previous year: 403600.919 Units)	1,85,10,430	1,70,19,568
ICICI Prudential Floating Interest Fund Direct Plan Growth 39670.770 Units (Previous year: 39670.770 Units)	1,36,57,000	1,25,49,475
TATA Treasury Advantage Fund Regular Plan - Growth 11772.765 Units (Previous year: 11772.765 Units)	3,61,95,402	3,39,82,804
Tata Bond Fund Regular Plan Growth 206969.919 Units (Previous year: 206969.919 Units)	78,43,498	73,21,416
TATA Treasury Advantage fund regular plan - Growth Segregated Portfolio 11772.765 Units (Previous year: 11772.765)	3,66,387	4,61,461
PGIM India Insta Cash Fund -Direct Plan Growth 347311.010 Units (Previous year: 347311.01 Units)	9,30,99,772	8,97,18,144
Total	44,28,49,990	41,70,19,595
Aggregate book value of quoted investments	38,82,44,393	38,00,30,093
Aggregate market value of quoted investments	44,28,49,990	41,70,19,595
Other Financial Assets		
Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Interest accrued fixed deposits	48,05,001	52,70,321
Other receivables (from Related Parties)	23,600	20,700
Interest Receivable	7,60,60,176	4,70,22,042
Total	8,08,88,777	5,23,13,063

Note 11.1 Cash and Cash Equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balances with banks:		
– On current accounts	6,44,63,461	4,02,13,308
– Deposits with original maturity of less than three months	-	-
Cash on hand	2,39,644	5,03,117
Total	6,47,03,105	4,07,16,425

Note 11.2 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Deposits with original maturity for more than 3 months but less than 12 months	53,08,25,797	50,82,90,033
Margin Money deposit	10,51,14,276	9,52,99,345
Total	63,59,40,073	60,35,89,378

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note - 12. Equity Share Capital

Particulars	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2020
Authorised Capital				
401,000,000 Equity Shares of Rs. 10/- each (31-Mar-2020: 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-2020: 254,000,000 0.1% Compulsorily Convertible Preference Shares of Rs.10/- each)		2,54,00,00,000		2,54,00,00,000
		6,55,00,00,000		6,55,00,00,000
Issued, Subscribed and Paid-up Capital				
381,859,817 Equity Shares of Rs.10/- each fully paid up (31-Mar-2020: 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-2020: 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)	
		3,81,85,98,170		3,81,85,98,170

(i) Reconciliation of the number of shares outstanding:

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

(ii) Term/Rights attached to 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 quarter ended March 31, 2021, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL/- share (March 31, 2020: 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 at31-Mar-2021		As at31-Mar-2020	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Name of the shareholders				
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 Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 13. Other Equity

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
233,500,683 0.1 % Compulsorily Convertible Preference Shares of Rs. 10 /- each (31-Mar-2020: 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	(14,77,50,439)	(3,89,88,919)
Total	3,50,22,56,391	3,61,10,17,911

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)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Other financial liabilities at amortised cost		
Rental deposit from related parties	20,000	20,000
Payable to employees	-	-
Lease Liability	47,16,89,880	49,07,72,379
Total	47,17,09,880	49,07,92,379

Note 15.1 Trade Payables - Non-Current

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables	25,60,79,441	47,63,49,744
Total	25,60,79,441	47,63,49,744

Note 15.2 Trade Payables - Current

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables	2,72,79,873	2,84,65,661
Total	2,72,79,873	2,84,65,661

As at March 31, 2021 and March 31, 2020, 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)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Other financial liabilities		
Payable to employees	1,93,28,738	2,80,74,539
Outstanding liabilities	78,21,814	4,44,53,351
Other Payables (to Related Parties)	1,45,282	3,26,276
Lease Liability	8,71,58,586	8,31,08,552
Total	11,44,54,420	15,59,62,718

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 17. Other Current Liabilities**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Statutory Dues	2,31,35,800	3,05,78,659
Advances from customers	32,55,879	37,02,658
Total	2,63,91,678	3,42,81,317

Note 18. Provisions

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Short-term provisions		
Provision for leave encashment	19,92,645	37,50,111
Provision for gratuity	26,91,869	41,72,386
Total	46,84,514	79,22,497

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Long-term provisions		
Provision for leave encashment	1,83,92,189	1,65,90,632
Provision for gratuity	-	-
Total	1,83,92,189	1,65,90,632

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 19. Revenue from Services**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Advertising income	71,65,36,209	1,26,56,75,602
Total	71,65,36,209	1,26,56,75,602

Note 20. Other Income

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Dividend income on current investments	74,42,710	90,34,390
Net gain on sale of current investments	13,51,527	50,85,718
Fair Value Gain on Financial Instruments at FVTPL(net)	1,76,16,096	1,09,22,797
Liabilities not required to be paid written back	25,37,43,208	61,33,310
Profit on Sale of Assets (net)	2,99,323	8,47,468
Miscellaneous Income	2,15,310	2,15,928
Total	28,06,68,174	3,22,39,611

Note 21. Finance Income

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Interest income		
- on bank deposits	4,03,95,355	5,18,16,417
- on loans to associates	15,78,60,774	15,10,78,819
- on IT refund	53,48,276	-
- on other loans	4,83,42,391	2,78,38,118
Total	25,19,46,796	23,07,33,354

Note 22. Cost of Revenues

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Program production expenses	10,79,95,337	21,25,43,242
Licenses	15,17,56,229	16,05,65,241
Total	25,97,51,566	37,31,08,483

Note 23. Employees' Benefits Expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	39,36,75,243	44,51,72,609
Gratuity expense	58,45,037	73,48,342
Leave Encashment	44,090	45,65,749
Contributions to provident fund and other funds	2,70,54,027	2,88,59,023
Staff welfare expense	15,45,429	22,86,548
Total	42,81,63,825	48,82,32,271

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(All amounts are in Indian Rupees unless otherwise stated)

Note 24. Other Expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Legal and professional fees	1,90,36,833	1,83,20,031
Travel and conveyance	11,79,576	81,70,705
Rent	10,45,596	11,33,054
Power and Fuel	5,34,13,646	6,49,29,817
Repairs and maintenance		
- Plant and machinery	26,65,661	99,54,842
- Others	58,52,668	73,28,358
Communication	81,36,034	1,07,07,733
Expenditure on Corporate Social Responsibility	59,72,000	1,14,05,719
Utilities	2,22,87,038	2,35,12,448
Insurance	6,44,941	14,70,412
Bad debts written off	3,27,774	12,13,708
Provision for doubtful debts (net of reversals)	2,50,49,757	2,76,43,488
Rates and taxes	4,77,237	6,18,213
Miscellaneous expenses	5,86,873	8,94,225
Total	14,66,75,632	18,73,02,752

Payment to auditor

Particulars	Year ended	
	March 31, 2021	March 31, 2020
As auditor:		
Audit fee	1,00,000	1,00,000
In other capacity:		
Other services	9,10,000	8,95,000
Total	10,10,000	9,95,000

Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Company during the year 59,70,328 86,04,281

Amount Spent during the year on 31-Mar-21	Paid	Total
Construction/acquisition of any asset On purposes other than above	59,72,000	59,72,000
	59,72,000	59,72,000
Contribution made to Related Parties	-	-

Amount Spent during the year on 31-Mar-20	Paid	Total
Construction/acquisition of any asset On purposes other than above	1,14,05,719	1,14,05,719
	1,14,05,719	1,14,05,719
Contribution made to Related Parties	-	-

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 25. Advertisement & marketing expenses**

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Advertisement and marketing expenses	51,20,124	4,41,29,232
Total	51,20,124	4,41,29,232

Note 26. Depreciation and amortization expense

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Depreciation of tangible assets (Note 3)	5,86,83,355	7,55,98,281
Amortization of intangible assets (Note 4)	14,15,88,902	14,21,50,513
Amortization of Right Of Use	5,14,26,092	5,17,76,558
Total	25,16,98,349	26,95,25,352

Note 27. Finance Costs

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Interest		
- on loans	-	-
- others	19,654	1,05,866
Bank charges	1,36,208	2,05,327
Lease Interest Expense Ind AS	6,86,47,316	6,97,73,862
Total	6,88,03,178	7,00,85,055

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(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:

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Re-measurement gains (losses) on defined benefit	-7,63,091	31,33,802
Others (if any)	-	-
Total	-7,63,091	31,33,802

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:

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Profit after tax (Rs. in crores)	-10,87,61,519	-6,78,10,134
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	-0.28	-0.18
- Diluted	-0.27	-0.17

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(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, 2021	Year ended March 31, 2020
Contribution to Provident Fund	2,68,39,946	2,85,71,594

Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Recognized in profit or loss:		
Current service cost	67,89,062	69,72,329
Interest cost on benefit obligation	8,046	3,76,013
Recognized in other comprehensive income:		
Remeasurement gains/(losses) in other comprehensive income arising from changes in demographic assumptions	-	81,783
Remeasurement gains/(losses) in other comprehensive income arising from changes in financial assumptions	-	(75,65,621)
Experience adjustments	(5,54,581)	39,85,385
Return on Plan Assets (Greater) / Less than Discount rate	3,76,425	3,64,651
Recognized in other comprehensive income	(1,78,156)	(31,33,802)
Net benefit expense	66,18,952	42,14,540

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation	4,84,67,692	4,26,16,173
Fair value of plan assets	4,57,75,824	3,84,43,786
Plan Liability / (Asset)	26,91,868	41,72,387

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Opening defined benefit obligation	4,26,16,174	3,87,83,292
Current service cost	67,89,062	69,72,329
Interest cost	26,94,674	24,74,786
Actuarial (gains) / losses on obligation	(5,54,581)	(34,98,452)
Benefits paid	(30,77,636)	(21,15,781)
Closing defined benefit obligation	4,84,67,693	4,26,16,174

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Fair value of planned assets at the beginning of the year	3,84,43,786	2,72,77,325
Expected return on plan assets	26,86,629	20,98,773
Contributions	80,99,470	1,15,48,120
Benefits paid	(30,77,636)	(21,15,781)
Actuarial gain / (loss) on plan assets	(3,76,425)	(3,64,651)
Fair value of plan assets at the end of the year	4,57,75,824	3,84,43,786

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

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Discount rate	6.56%	6.56%
Expected rate of return on assets	6.56%	6.56%
Employee turnover	15.00%	15.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***30.1 The major categories of plan assets of the fair value of the total plan assets are as follows:****Gratuity plan**

Particulars	March 31, 2021	March 31, 2020
Investments details		
Funds with LIC	4,57,75,824	3,84,43,786
Total	4,57,75,824	3,84,43,786

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Gratuity plan:

Assumptions	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Impact on defined benefit obligation	(29,63,692)	33,42,928	29,39,123	(26,93,796)

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

Assumptions	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	56,27,519	40,69,743
Between 2 and 5 years	17,90,926	72,95,338
Between 5 and 10 years	97,14,792	81,76,019
Total expected payments	1,71,33,237	1,95,41,100

South Asia FM Limited**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(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

Associates /Joint Ventures

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

Optimum Media Services P Ltd

Key Management personnel

Mr. K.Shanmugam - Managing Director

Mr. C. Venkatesh - Company Secretary

Mr. J. Ravindran - Director

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advertisement Revenue								
Sun TV Network Limited	-	6,38,625	-	-	-	-	-	-
Rental Income								
Sun Direct TV Pvt Ltd	-	-	2,15,000	2,15,000	-	-	-	-
Interest Income								
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	2,75,87,342	2,57,90,465	-	-
Sun Direct TV Pvt Ltd	-	-	4,83,42,391	2,78,38,118	-	-	-	-

South Asia FM Limited
Notes to Consolidated Financial Statements for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

South Asia FM Limited
Notes to Consolidated Financial Statements for the Year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 31. Related party transactions

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiary / Joint Ventures/ associates		Key managerial personnel / Relatives of Key managerial personnel	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rent Expense								
Sun TV Network Limited	15,08,841	14,37,008	-	-	-	-	-	-
Business Support Services								
Sun TV Network Limited	18,10,103	17,72,609	-	-	-	-	-	-
Remuneration/Ex-gratia/Bonus payable								
Mr. C. Venkatesh	-	-	-	-	-	-	51,72,221	52,55,144

Particulars	Holding Company		Enterprises in which Key Management personnel or their relatives have significant influence		Subsidiaries / Joint Venture	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balances Outstanding:						
Other Receivables						
Sun Direct TV Pvt Limited	-	-	23,600	20,700	-	-
Loans & Advances						
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	32,14,85,796	31,65,90,195
Sun Direct TV Pvt Limited	-	-	50,00,00,000	50,00,00,000	-	-
Rental and other deposits						
Sun Direct TV Pvt Limited	-	-	20,000	20,000	-	-
Accounts Payable / Other Current Liabilities						
Sun Tv Network Limited	7,44,607	6,42,267	-	-	-	-
Other Financial Assets						
Interest Receivable						
A.V.Digital Networks (Hyd) P Ltd	-	-	-	-	6,48,10,177	3,98,08,927
Sun Direct TV Pvt Limited	-	-	1,12,50,001	72,13,115	-	-

SOUTH ASIA FM LIMITED

Notes to Consolidated Financial Statements for the Year ended 31st March, 2021

(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:

Particulars	Carrying Value		Fair Value	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Financial Assets				
(Non Current & Current)				
Investments in Mutual Funds	44,28,49,990	41,70,19,595	44,28,49,990	41,70,19,595
Investments in Associate companies	1,97,42,40,313	2,05,12,07,882	1,97,42,40,313	2,05,12,07,882
Investments in joint ventures	1,49,48,40,196	1,49,24,32,217	1,49,48,40,196	1,49,24,32,217
Total	3,91,19,30,499	3,96,06,59,693	3,91,19,30,499	3,96,06,59,693

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 2021:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31-Mar-21	44,28,49,990	44,28,49,990	-	-
Investments in Associate companies	31-Mar-21	1,97,42,40,313	-	1,97,42,40,313	-
Investments in joint ventures	31-Mar-21	1,49,48,40,196	-	1,49,48,40,196	-
Assets for which fair values are disclosed:					
Investment Properties	31-Mar-21	-	-	-	-

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 2020:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:					
FVTPL financial investments:					
Investments in Mutual Funds	31-Mar-20	41,70,19,595	41,70,19,595	-	-
Investments in Associate companies	31-Mar-20	2,05,12,07,882	-	2,05,12,07,882	-
Investments in joint ventures	31-Mar-20	1,49,24,32,217	-	1,49,24,32,217	-
Assets for which fair values are disclosed:					
Investment Properties	31-Mar-20	-	-	-	-

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.

Impact of COVID-19

The Company based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

Market Risk

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

Credit risk

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

SOUTH ASIA FM LIMITED
Notes to Financial Statements for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 34. Right of Use and Lease Liability

Right of Use Assets

	Building	Total
Year ended March 31, 2021		
Gross carrying amount		
Opening Gross carrying amount	58,28,32,477	58,28,32,477
Reclassification from property, plant & equipment	-	-
Recognition on account of IND AS 116	-	-
Additions	-	-
Disposals	-21,53,863	-21,53,863
Closing gross carrying amount	58,06,78,615	58,06,78,615
Accumulated depreciation / amortisation		
Opening Accumulated depreciation / amortisation	5,12,23,092	5,12,23,092
Reclassification from property, plant & equipment	-	-
Depreciation / amortisation charge during the year	5,14,26,092	5,14,26,092
Disposals	-	-
Closing accumulated depreciation / amortisation	10,26,49,184	10,26,49,184
Net carrying amount as at March 31, 2021	47,80,29,430	47,80,29,430

34.1 The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

34.2. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows:

Particulars	Amount
Decrease in Property, Plant and equipment by	-
Increase / (decrease) in lease liability by	-1,50,32,464
Increase / (decrease) in right of use assets by	-5,35,79,955
Increase/(decrease) in finance cost by	6,86,47,316
Increase/(decrease) in depreciation by	5,14,26,092
Increase/(decrease) in rent by	8,15,25,919

34.3. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
Balance as on April 1, 2020	57,38,80,933
Recognition on account of adoption of Ind AS 116	-
Additions	-
Finance costs accrued during the period	6,86,47,316
Deletions	(21,53,863)
Payment of lease liabilities	(8,15,25,919)
Balance as on March 31, 2021	55,88,48,467

34.4. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(undiscounted)		(discounted)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Less than one year	8,71,58,586	7,42,04,065		
One to five years	50,26,08,268	30,64,10,382		
More than five years	40,84,25,007	19,32,66,485		
Total	99,81,91,861	57,38,80,931		

34.5. Amounts recognized in statement of profit or loss

Particulars	2020-21	2019-20
Interest on lease liabilities	6,86,47,316	6,97,73,862
Variable lease payments not included in the lease payment liabilities	-	-
Income from sub-leasing right of use assets	2,15,000	2,15,000
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short term leases of low value	-	-

34.6. Amounts recognized in cash flow statement

Particulars	2020-21	2019-20
Total cash outflows for leases	8,15,25,919	7,92,78,872

34.7. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' assets of Rs.58,42,87,375 /- and a lease liabilities of Rs.58,42,87,375 /- .

The average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 12%

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 35. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 3% and 7%. The Company includes within net debt, trade and other payables, less cash and cash equivalents.

Return on Equity	31.03.2021	31.03.2020
Profit Before Taxes	8,89,38,504	9,62,65,422
Less: Finance Income	(25,19,46,796)	(23,07,33,354)
Add: Finance cost	6,88,03,178	7,00,85,055
Earnings before Net interest and Tax	(9,42,05,114)	(6,43,82,877)
Equity Share Capital	3,81,85,98,170	3,81,85,98,170
Other Equity	3,50,22,56,391	3,61,10,17,911
Capital Employed	7,32,08,54,561	7,42,96,16,081
ROCE	(1.29)	(0.87)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

SOUTH ASIA FM LIMITED**Notes to Consolidated Financial Statements for the Year ended 31st March, 2021***(All amounts are in Indian Rupees unless otherwise stated)***Note 36. Note on FM Radio Licences**

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

Note 37. Exceptional items

Particulars		Year ended	
		As at 31-Mar-2021	As at 31-Mar-2020
Impairment of Property, Plant & Equipment	(A)	-	15,00,618
		-	15,00,618
Insurance claim against submerged assets	(B)	-	17,07,851
		-	17,07,851
Exceptional items (Net)	(B) - (A)	-	2,07,233

During the previous year 2019-20, Company's car sustained damage due to floods in Ahmedabad. This car has been assessed as being beyond economic repair and declared a total loss. Accordingly, the carrying value of the insurance claim of Rs. 17,41,248 /- received from the insurers. The impairment loss on the car as at the date of the incident of Rs. 15,00,618 /- has been recorded as impairment loss. Company has recognised account of the damage to the car and related proceeds receivable from the insurance company, as discussed above, have been recorded and disclosed as exceptional item.

Note 38. Ind AS Impact in Profit & Loss Account

Particulars	Note No.	Year ended	
		March 31,2021	March 31,2020
Income			
Finance Income - on loans to Associates / deposits	21	13,02,73,433	12,52,88,354
Fair Value Gain on Financial Instruments at FVTPL(net)	20	1,76,16,096	1,09,22,797
		14,78,89,528	13,62,11,151
Expenditure			
Amortization of Right Of Use	26	5,14,26,092	5,17,76,558
Lease Interest Expense	27	6,86,47,316	6,97,73,862
Rent	24	10,10,596	10,92,854
Licences	22	34,12,486	37,28,630
		12,44,96,489	12,63,71,904
Net Impact		2,33,93,039	98,39,247

Note 38. Prior year comparatives

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

As per my report of even date

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

N. PRIYA
Chartered Accountant
Membership #: 223834

K. SHANMUGAM
Managing Director

J. RAVINDRAN
Director

C. VENKATESH
Company Secretary

Place: Chennai
Date: May 25, 2021

Place: Chennai
Date: May 25, 2021