

11th Annual Report 2015-16



RADIO
DHAMAAL 24
106.4 MHz
हर खुशी है जहाँ
106.4 FM
www.dhamaal24.com

SKYLINE RADIO NETWORK LIMITED

BOARD'S REPORT

To,
The Members,
Skyline Radio Network Limited

The Directors have pleasure in presenting the 11th Annual Report on business and operations of the Company together with Audited Financial Statements for the financial year ended on March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(Rupees in Lakhs)

Particulars	2015-16	2014-15
Total Income	818.82	750.43
Profit before Depreciation & Financial Charges	186.74	116.88
Financial Charges	75.52	102.29
Cash Profit	17.97	15.38
Depreciation	280.23	457.92
Profit before Tax	(169.02)	(443.32)
Provision for Tax	(49.16)	(76.93)
Profit after Tax	(218.18)	(366.40)
Proposed Dividend	Nil	Nil

FINANCIAL PERFORMANCE

During the period under review, revenue from operations of the Company has increased by 9.11% from Rs. 750.43 Lakhs to Rs. 818.82 Lakhs. During the year, net loss after tax of the Company was decreased by approximately 40.45% from Rs. 366.40 lakhs to Rs. 218.18 Lakhs.

DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2016 on account of losses during the year under review. The Company has not made any transfer to General Reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid.

DEPOSITS

During the financial year under review, the Company has not accepted any deposit from public under Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Your Company operates its radio channels at **106.4 FM** in the Brand Name of **Dhamaal24** with tag line "**Har Khushi hai Jahan**", in 10 cities viz. Hissar, Karnal, Patiala, Ranchi,

Muzaffarpur, Dhule, Jalgaon, Ahmednagar, Simla and Jabalpur.

106.4 FM Radio Dhamaal24 – Har Khushi hai Jahan is a hybrid FM Channel bringing to the listeners' life in all manifestations. Dhamaal24 believes that life must be lived to the fullest and celebrated. Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming. Various programmes are purposely aligned for maximum listenership. Our content entices regional listeners.

Your Company has also revamped its radio station 'Dhamaal24' with revitalized, novel and popular shows like Dil Ke Mareez, Hazir Ho, Zindagi Live, Housefull, Zara Hat Ke Zara Bachke, Omkar, Yad Kiya Dil Ne, Aamne-Saamne, Har Khushi Hai Jahan, Taka Tak Morning, Chughliyan, Velle Hum Velle Tum, Bolymal, Bumper Bachake, Back to Back and Reel Ki Real Life are aired on Dhamaal24 keeping the regional flavor in each of its programmes offered to its listeners.

It was a year where radio FM performed exceptionally well. During the year the Company has successfully migrated its radio stations from Phase II to Phase-III and got licenses to operate it for further 15 (fifteen) years from Ministry of Information and Broadcasting, Government of India. Phase III finally saw the light of day, although some regulatory challenges remain. Radio remains the only mass medium that has restrictions of carrying news and current affairs – a fact that Industry hopes will change soon. Overall, radio in India remains an industry with a very bright future, with double digit growth rates forecast – at least for the next five years.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There were no material changes and commitments made affecting the financial position of the Company during the year.

DIRECTORS

There are three Directors on the Board of Directors of the Company viz. Ms. Anuradha Prasad (DIN- 00010716), Dr. Anuradha Mishra (DIN- 01725234) and Mr. Sarad Kumar (DIN- 02675515).

Independent Directors

In terms of Section 149(6) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors. The Board comprises Executive and Non-Executive with Independent Director.

The Independent director have submitted their declaration of Independence, as required pursuant to section 149 (7) of the Companies Act, 2013, confirming that they meet the criteria of independence as provided in sub section (6).

Appointments/ Resignations from the Board of Directors

During the financial year under review, Mr. Sarad Kumar (DIN- 02675515) appointed as Director and Mr. Prem Behl (DIN- 00409205) resigned from Board of Directors of the Company on 03.02.2016.



Appointments/ Resignations of the Key Managerial Personnel

During the financial year under review, Ms. Anuradha Prasad, Managing Director, Mr. Ajay Jain, Chief Financial Officer and Mr. Ajay Mishra, Secretary of the Company were the Key Managerial Personnel as per the provisions of the Companies Act, 2013. Mr. Ajay Mishra, Secretary of the Company has been holding the respective position of the Company at the end of the financial year, March 31, 2016. The Board of Directors of the Company at its meeting held on May 27, 2015 appointed Mr. Ajay Jain as Chief Financial Officer of the Company.

Ms. Anuradha Prasad resigned from the position of Managing Director w.e.f. 13.08.2015 and Continue as Director of the Company. Mr. Sarad Kumar (DIN- 02675515) appointed as Additional Director on 03.02.2016.

Further, Mr. Prem Behl (DIN- 00409205) resigned from Board of Directors of the Company on 03.02.2016 and Mr. Ajay Jain resigned from the post of Chief Financial Officer on 28.05.2015.

Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Ms. Anuradha Prasad (DIN: 00010716) retires by rotation and is eligible for re-appointment.

Meetings

During the year 7 (seven) Board Meetings dated 27.05.2015, 13.08.2015, 05.11.2015, 03.02.2016, 27.02.2016, 02.03.2016 and 31.03.2016 were convened. The intervening gap between the Meetings was within the time limit prescribed under the Companies Act, 2013 read with the rules made thereunder.

Composition of Committees of the Board of Directors

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and needs a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board. The terms of reference of Board Committees are determined by the Board from time to time.

At present there are following two Committees

1. Audit Committee
2. Nomination and Remuneration Committee

In addition, the Board also constitutes specific committees, from time to time, depending on the business exigencies, and simultaneously dissolves such Committees, that are no longer required. The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. The Company Secretary prepares the agenda and explanatory notes and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are

approved by the respective Committee and thereafter placed before the Board.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder.

i) Terms of reference

The broad terms of reference are as under:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment, reappointment, terms of appointment and removal of the statutory and internal auditors, if any, of remuneration, fixation of audit fees and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including subsidiaries / associates, if any, before submission to the Board for approval;
4. Reviewing with the management and the statutory auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the findings of any internal investigations by auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
7. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process;
8. Scrutiny of Inter-corporate loans and advances;
9. Approval or any subsequent modification of transactions of the company with related parties;
10. Valuation of undertakings or assets of the company, wherever it is necessary; and
11. Such other functions as may be delegated by the Board from time to time.

The meetings of Audit Committee are also attended by Chief Financial Officer and Statutory Auditors. Mr. Ajay Mishra, Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the meeting of the Board.

(ii) Composition of the Committee:-

Presently, the Audit Committee of the Company comprises of Non-executive Directors. Dr. Anuradha

Mishra, Chairperson of the Committee is a Non-Executive Independent Director. Other members are Mr. Sarad Kumar, Non-Executive Director and Ms. Anuradha Prasad, Non-Executive Director. All the members possess financial, management and accounting knowledge/ expertise and have held or hold senior positions in several reputed organizations.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee of Directors in compliance with provisions of Section 178 of the Companies Act, 2013. All the matters relating to finalization of remuneration to executive directors are being taken in the meeting of said Committee for their consideration and approval.

(i) Terms of Reference

Brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director/Executive Director's, subject to the approval of the Members and Central Government, if required. Remuneration comprises of fixed Component viz. salary, perquisites and allowances and a variable component.

(ii) Composition of the Committee

Committee comprises of Executive and Non-executive Directors. The Chairperson of the Committee is Dr. Anuradha Mishra, a Non-executive Independent Director and other members of the Committee are Mr. Sarad Kumar and Ms. Anuradha Prasad. Mr. Ajay Mishra, Company Secretary acts as the Secretary of the Committee.

(iii) Nomination and Remuneration Policy

The Remuneration policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company's Policy relating to appointment of

Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure I** and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors confirmed that:-

- a) in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies 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 at the end of financial year and the loss of the Company for that period;
- c) they have 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;
- d) they have prepared the annual accounts on a 'going concern' basis.
- e) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were in place and were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in **Form MGT- 9** is annexed herewith as **Annexure II**.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year, the Company does not have any Subsidiary, Joint venture or Associate Company.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls with reference to financial statements, being examined by the management with the size, scale and complexity of its operation. To maintain its objectivity and independence, the Internal Financial Audit functions reports to the Chairman of the Audit Committee of the Board. During the year, no reportable material weaknesses in the design or operation were observed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, an audit firm can act as auditors for a maximum tenure of two terms of 5 consecutive years. For the purpose of reckoning this limit, existing tenure of the auditors needs to be counted. However, companies have been given a transition time of 3 years from April 1, 2014 to comply with this provision.

Accordingly, the Company's Auditors M/s. Joy Mukherjee & Associates (FRN: 006792C), Chartered Accountants, who retire at the ensuing Annual General Meeting, may continue as statutory auditors for auditing financial statements for the financial year ending March 31, 2017. M/s. Joy Mukherjee & Associates have confirmed their eligibility and willingness to accept office, if re-appointed. Based on the recommendation of Audit Committee, the Board has approved the proposal for placing the matter of re-appointment of M/s. Joy Mukherjee & Associates as statutory auditors at the ensuing 11th Annual General Meeting.

Qualification in Auditors reports

All observations made in the Independent Auditors' Report are self explanatory and suitably addressed in the Notes forming part of the Financial Statements and do not call for any further comments. The Company is in the regime of unqualified financial statements.

Pursuant to provisions of section 143(12) of the Companies Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the financial year under review.

Material Events Occurred between the end of Financial Year to which the Financial Statements Relate and the Date of the Report

No material events have occurred between the end of Financial Year 2015-16 and the date of this Report which have effect over the financial position of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134 (3) (m) of the Companies Act, 2013 read along with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption are not applicable.

During the year, your Company has not incurred any expenditure and has not earned in foreign currency.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant or material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in

the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The particulars of every contract and arrangement entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in **Form No. AOC-2** in **Annexure III** and form part of this Report.

SHARES CAPITAL

During the financial year under review, the Company has increased its authorized share capital from Rs. 300,000,000 to Rs. 320,000,000 at the Extraordinary General Meeting held on 29.03.2016.

The paid up Equity Share Capital as on March 31, 2016 was Rs. 290,141,000/- divided in to 29,014,100 equity shares of Rs. 10 each.

During the financial year under review, the Company has issued 724,996 number of Optionally Fully Convertible Debentures (OFCDs) of face value of Rs.100/- each, convertible at the option of the holder, in one or more tranches, into equivalent number of Equity Shares of Rs. 10/- each of the Company at Rs. 25 per equity share (including premium of Rs. 15 per equity share) at the Extraordinary General Meeting held on 30.03.2016.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company believes in voluntary commitment Corporate Social Responsibility initiatives, through the said provisions are not applicable. However, once the said provisions are applicable, the Company shall report the same in the coming years and shall submit the relevant report on such applicability.

ACKNOWLEDGEMENTS

Your Directors thanks the various Central and State Government Departments, organizations and agencies for the continued help and co-operation extended by them.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. listener, producers, vendors, members, dealers, auditors, consultants, legal advisor, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors
Skyline Radio Network Limited

Anuradha Prasad
Chairperson
DIN:00010716

Date : May 28, 2016
Place : Noida



Annexure I

“NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES”

[Skyline Radio Network Limited]

INTRODUCTION

Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as amended require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, Board of Directors adopted the Nomination and Remuneration Policy of Skyline Radio Network Limited (herein after called as Skyline Radio) for the directors, key managerial personnel and other employees of the Company duly recommended by NRC as set out below.

COMPANY PHILOSOPHY

Skyline Radio is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

The endeavor of the organization is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

GUIDING PRINCIPLES

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and rules made thereunder, summarized hereunder:

- a) the level and composition of remuneration is reasonable

and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;

- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to directors, key managerial personnel and senior management reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- d) facilitating effective shareholders participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

NOMINATION OF THE DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

General Criteria

- The background and qualifications of the Directors, breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.
- Diversity reflecting gender, ethnic background, country of citizenship and professional experience.
- Diverse professional and personal backgrounds.
- conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.
- Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the

effective oversight of the business and financial affairs of organisation.

- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multidisciplinary responsibilities and high standards of integrity and professional conduct.
- Nominees understand and endeavor to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/ she have demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

REMUNERATION OF THE DIRECTORS

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organisations.

The remuneration payable to the Directors of the Company shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

Appointment and Remuneration of Managing Director and Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company

- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings, if approve,
- Reimbursement of expenses for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. However, the Company is not paying any sitting fee to any Independent Director.

Remuneration to Directors in other Capacity

The remuneration payable to the directors including Managing or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) the services rendered are of a professional nature; and
- (b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

EVALUATION OF THE DIRECTORS

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING DIRECTORS/WHOLE TIME DIRECTORS), KEY EXECUTIVES AND SENIOR MANagements

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;

- (ii) the Whole-time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Whole-time Director".

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company personnel who are members of its core management team excluding the Board of Directors. Senior executives' one level below the Board shall be determined by the Human Resources Department of the Company in consultation with the Managing Director.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholders interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department.

REMUNERATION OF THE EMPLOYEES

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments. Decisions on Annual Increments shall be made on the basis of this annual appraisal.

GENERAL

This Policy applies to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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:

- i) CIN : **U92132DL2005PLC142230**
- ii) Registration Date : **31.10.2005**
- iii) Name of the Company : **SKYLINE RADIO NETWORK LIMITED**
- iv) Category / Sub-Category of the Company : **Public Company/Limited by Shares/India Non Government Company**
- v) Address of the Registered office and contact details : **A-60, Basement, Near Malviya Nagar Market, Malviya Nagar, New Delhi-110017, Tel 91 120 3911 444, Fax: 91 120 3911 401.**
- vi) Whether listed company Yes / No : **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewala Ext., New Delhi- 110055. Phn: 011-42541234 , Fax: 011-23552001.**

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Radio Broadcasting	6010	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
1	B.A.G. Films and Media Limited Address: 352, Aggarwal Plaza, Plot No. 8, Kondli, New Delhi-110 096	L74899DL1993PLC051841	Holding Company	71.05	2(46)

IV. SHARE HOLDING 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				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7317150	8496950	25814100	88.97	7317150	18496950	25814100	88.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	7317150	18496950	25814100	88.97	7317150	18496950	25814100	88.97	-
(2) Foreign									
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)	7317150	18496950	25814100	88.97	7317150	18496950	25814100	88.97	-
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2150000	700000	2850000	9.82	2150000	700000	2850000	9.82	-
ii) Overseas									

b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	12500	-	12500	0.05	12500	-	12500	0.05	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	337500	-	337500	1.16	337500	-	337500	1.16	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2500000	700000	3200000	11.03	2500000	700000	3200000	11.03	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2500000	700000	3200000	11.03	2500000	700000	3200000	11.03	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9817150	19196950	29014100	100.00	9817150	19196950	29014100	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year			% change in share holding 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								
1	B.A.G. Films and Media Limited	20614100*	71.05	N.A	20614100*	71.05	N.A	0
2	ARVR Communications Private Limited	5200000	17.92	N.A	5200000	17.92	N.A	0
	Total	25814100	88.97	N.A	25814100	88.97	N.A	0

* Ms. Anuradha Prasad, hold 1 share as a nominee of B.A.G. Films and Media Limited

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	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
1	Santosh Industries Limited	1000000	3.45	1000000	3.45
2	Odyssey Corporation Limited	600000	2.07	600000	2.07
3	Bijco Holding Limited	500000	1.72	500000	1.72
4	Ashika Venture Capital Pvt. Ltd	500000	1.72	500000	1.72
5	MKJ Enterprises Limited	100000	0.34	100000	0.34
6	Vab Ventures Limited	100000	0.34	100000	0.34
7	Goldwin Construction Pvt Ltd.	50000	0.17	50000	0.17

8	Manoj Kumar Bhagat	50000	0.17	50000	0.17
9	Piyush Kumar Bhagat	50000	0.17	50000	0.17
10	Shanti Daga	50000	0.17	50000	0.17

(v) Shareholding of Directors and Key Managerial Personnel: (NIL)

Sl. 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
	At the beginning of the year				
	Date wise Increase / Decrease in 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				

* Ms. Anuradha Prasad, Director hold 1 share as a nominee of B.A.G. Films and Media Limited.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment "Refer Note 3 and 5 to Financial Statement.

The Company is not accepting any deposit under section 73 to 76 of the Company Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager*
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	Nil
	Ceiling as per the Act	N.A.

*Ms. Anuradha Prasad resigned from the post of Managing Director w.e.f. 13.08.2015.

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Dr. Anuradha Mishra			
	• Fee for attending board / committee meetings • Commission • Others, please specify	Nil			Nil
	Total (1)	Nil			Nil
	4. Other Non-Executive Directors*		Ms. Anuradha Prasad	Mr. Sarad Kumar	
	• Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

* Mr. Prem Behl resigned as Director w.e.f. 03.02.2016. The Company is not paying any remuneration to Directors.

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the KMP other than MD/WTD/Manager		Total Amount
		Ajay Jain, Chief Financial Officer*	Ajay Mishra, Company Secretary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	Nil	674640	674640
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please Specify	Nil	Nil	Nil
	Total	Nil	674640	674640

* Mr. Ajay Jain resigned from the post of Chief Financial Officer w.e.f. 28.05.2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (NIL)



Annexure III

FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 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 arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl No.	Particulars	Details
a)	Name (s) of the related party	Anuradha Prasad
b)	Nature of relationship	KMP
c)	Nature of contracts/arrangements/ transaction	Rent
d)	Duration of the contracts/arrangements /transaction	Continuing contract
e)	Salient terms of the contracts or arrangements or transaction	As per Related Party Transaction Policy
g)	Amount incurred during the year (Rs. In Lakh)	Rs. 2,40,000/-

For and on behalf of the Board of Directors
Skyline Radio Network Limited

Place : Noida
Date : May 28, 2016

Anuradha Prasad
Chairperson
DIN No. : 00010716

INDEPENDENT AUDITOR'S REPORT

To the Members of Skyline Radio Network Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Skyline Radio Network Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial

statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, 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 our separate Report in "Annexure B", which is based on the Auditors' Reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

Report on Other Legal and Regulatory Requirements (continued)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has made provision, as required

under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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

For Joy Mukherjee & Associates
Chartered Accountants
Firm Registration No. 006792C

Joy Mukherjee

Place : Noida

Partner

Dated : May 28, 2016

Membership No. 074602

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

In respect of the Annexure referred to in paragraph 1 of our report to Members of Skyline Radio Network Limited ("the Company") for the year ended March 31, 2016, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the

Company and the nature of its business.

- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 apply. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans, investments, guarantees and security.

5. The Company has not accepted any deposits from the public.
6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/ services of the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of any dispute, which have not been deposited.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks.
9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration 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.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:
 - a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Joy Mukherjee & Associates

Chartered Accountants

Firm Registration No. : 006792C

Joy Mukherjee

Partner

Place : Noida

Dated : May 28, 2016

Membership No. 074602

Skyline Radio Network Limited
Balance Sheet as at March 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	290,141,000		290,141,000	
(b) Reserves and Surplus	2	(263,907,018)		(240,509,459)	
			26,233,982		49,631,541
2. Share application money pending allotment	3	66,275,000	66,275,000	-	-
2. Non-current liabilities					
(a) Long-term borrowings	4	81,571,303		33,503,591	
(b) Deferred Tax liabilities (Net)		7,200,275		2,284,336	
(c) Long-term Provisions	5	651,576		537,371	
			89,423,154		36,325,298
3. Current Liabilities					
(a) Trade payables		36,619,566		6,259,980	
(b) Other current liabilities	6	46,732,148		74,323,021	
			83,351,714		80,583,001
Total			265,283,850		166,539,840
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7	52,540,120		72,192,733	
(ii) Intangible assets	8	103,916,201		17,463,462	
(iii) Capital work-in-progress		8,975,444		8,975,444	
(b) Other non-current assets	9	78,842		157,674	
			165,510,607		98,789,313
2. Current assets					
(a) Inventories	10	19,821,345		18,570,715	
(b) Trade receivables	11	42,628,801		23,481,312	
(c) Cash and Cash equivalents	12	8,489,758		7,603,318	
(d) Short-term loans and advances	13	28,833,339		18,095,182	
			99,773,243		67,750,527
Total			265,283,850		166,539,840

The accompanying notes are an integral part of financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Joy Mukherjee & Associates
Chartered Accountants
Firm Registration No. : 006792C

Anurradha Prasad
Director
DIN No. 00010716

Sarad Kumar
Director
DIN No. 02675515

Vinay Kumar Srivastav
Chief Financial Officer

Ajay Mishra
Company Secretary

Joy Mukherjee
Partner
M.No. 074602

Place : Noida
Date : May 28, 2016



Skyline Radio Network Limited
(Formerly known as Dhamaal24 Radio Network Limited)

Statement of Profit and Loss for the Period ended March 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	14	80,264,180		74,825,738	
II Other Income	16	1,617,533		217,118	
III Total Revenue (I + II)			81,881,713		75,042,856
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		(1,250,630)		330,540	
Employee benefits expense	17	17,018,505		17,748,488	
Finance Costs	15	7,552,451		10,228,818	
Depreciation and amortization expense		28,023,453		45,791,566	
Other expense	18	47,439,495		45,275,871	
Total Expense			98,783,274		119,375,283
V Profit before exceptional and extraordinary items and tax (III-IV)			(16,901,561)		(44,332,427)
VI Profit before extraordinary items and tax (V-VI)			(16,901,561)		(44,332,427)
VII Extraordinary items			-		-
VIII Profit before tax (VI-VII)			(16,901,561)		(44,332,427)
IX Tax expense:					
(1) Deferred tax		4,915,939		(7,692,846)	
			4,915,939		(7,692,846)
X Profit/(Loss) for the period from continuing operations (VIII - IX)			(21,817,500)		(36,639,581)
XI Earnings per equity share:					
(1) Basic			(0.81)		(1.86)
(2) Diluted			(0.81)		(1.86)

The accompanying notes are an integral part of financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Joy Mukherjee & Associates
Chartered Accountants
Firm Registration No. : 006792C

Anuradha Prasad
Director
DIN No. 00010716

Sarad Kumar
Director
DIN No. 02675515

Vinay Kumar Srivastav
Chief Financial Officer

Ajay Mishra
Company Secretary

Joy Mukherjee
Partner
M.No. 074602

Place : Noida
Date : May 28, 2016

Notes to Financial Accounts

Note 1 Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Share Capital		
Authorised share capital		
Equity Share Capital		
32,000,000 equity shares of Rs.10 each (Previous Year 30,000,000 Equity Shares of Rs. 10/- each)	320,000,000	300,000,000
Total	320,000,000	300,000,000
Issued, subscribed and fully paid share capital		
29,014,100 equity shares of Rs. 10 each (Previous Year 29,014,100 equity shares of Rs. 10/- each)	290,141,000	290,141,000
Total	290,141,000	290,141,000

Particulars	March 31, 2016		March 31, 2015	
	Qty	Value	Qty	Value
Subscribed and fully paid up share capital				
Equity Shares of Rs. 10 each	29,014,100	290,141,000	29,014,100	290,141,000

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 31, 2016

Particulars	March 31, 2016		March 31, 2015	
	Qty	Value	Qty	Value
Equity shares Fully paid up share capital				
Number of Shares outstanding at the Beginning of the Year :	Qty	29,014,100	29,014,100	
	Value	290,141,000	290,141,000	
Add : Further Issue during the year	Qty	-	-	
	Value	-	-	
Number of Shares outstanding at the end of the Year :	Qty	29,014,100	29,014,100	
	Value	290,141,000	290,141,000	

-Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of Rs10 each. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date."

- Details of shares held by the holding company, their subsidiaries and associates :	Number of Shares	
	March 31, 2016	March 31, 2015
B.A.G. Films and Media Limited (Holding Company)	20,614,100	20,614,100

-Details of shares held by each shareholder holding more than 5% share capital :

Name of shareholders	March 31, 2016
	No. of Shares
B.A.G. Films and Media Limited	20,614,100
ARVR Communication Private Limited	5,200,000

Note 2

Particulars	March 31, 2016	March 31, 2015
Reserves and Surplus		
Securities Premium Reserves		
Opening balance	136,711,500	136,711,500
Add: Premium on shares issued during the year	-	-
Closing balance	136,711,500	136,711,500
Surplus		
Opening balance	(377,220,959)	(323,237,320)
Add: Profit / (Loss) for the year	(21,817,500)	(36,639,581)
Adjustment relating to earlier year	(1,580,059)	(17,344,058)
Closing balance	(400,618,518)	(377,220,959)
Total	(263,907,018)	(240,509,459)

Note 3

Particulars	March 31, 2016	March 31, 2015
Share Application Money Pending Allotment	66,275,000	-
Total	66,275,000	-

Note 4

Particulars	March 31, 2016	March 31, 2015
Long-term borrowings		
Secured		
Term Loans		
- From Bank	9,071,703	33,503,591
Unsecured	72,499,600	-
Optionally fully convertible Debentures		
Total	81,571,303	33,503,591

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:

Term loan from banks:

Term Loan of Rs. 9,53,65,696 taken from Dena Bank in financial year 2012-13, secured by immovable property of holding company and associate group company and repayable in 17 Quarters of equal installment start from 1st Qtr of Financial year 2013-14.

Disclosure in relation to Optionally Fully Convertible Debenture

The Company had issued 724,996 optionally fully convertible debenture (OFCDs) of face value Rs 100/-each to News24 Broadcast India Limited. The OFCDs fully convertible into equity shares at any time after the expiry of 4 years of issue at a conversion price arrived at a fair valuation mutually agreeable to the both parties.

Disclosure in relation to defaulted in repayment of loans and interest in respect of the following:

Term loans from banks:

No default has been made in repayment of Principal and interest on term loan during the year ending March 31, 2016

Note 5

Particulars	March 31, 2016	March 31, 2015
Long-term provisions		
Provision for Employee benefits		
- Provision for Gratuity	563,127	466,988
- Provision for Leave encashment	88,449	70,383
Total	651,576	537,371

Note 6

Particulars	March 31, 2016	March 31, 2015
Other current Liabilities		
Current maturities of long term debt	23,176,472	23,176,472
Other payables		
Statutory remittances	2,313,578	2,165,545
Advances from customers	15,591,064	45,275,439
Other Liabilities	3,733,276	1,708,519
°Employee Cost	1,917,758	1,997,046
Total	46,732,148	74,323,021

Note 7 - Fixed Assets Schedule as per Companies Act, 2013 for the Year ended on March 31, 2016.
Tangible Fixed Assets

Amount in ₹

Particulars	Gross Block				Depreciation				Net Block		
	Cost as at 01.04.2015	Addition during the Year	Sale/Adj During the Year	Cost as at 31.03.2016	Accumulated Depreciation as at 01.04.2015	Depreciation for the Year	Adjustment for the Year	Accumulated Depreciation as at 31.03.2016	Adjustment as per Company Act 2013	W.D.V As at 31.03.2016	W.D.V As at 31.03.2015
Plant & Machinery	143,803,676	-	-	143,803,676	78,272,359	15,257,349	-	93,529,708	-	50,273,968	65,531,317
Computer & Peripherals	13,833,882	-	-	13,833,882	12,473,425	88,998	-	12,562,423	1,072,428	199,031	1,360,457
Furniture and Fixture	3,537,177	-	-	3,537,177	2,969,755	271,445	-	3,241,200	-	295,977	567,422
Office Equipment	78,020,828	595,864	382,814	78,233,878	73,287,291	3,527,818	352,375	76,462,734	-	1,771,144	4,733,537
Total	239,195,563	595,864	382,814	239,408,613	167,002,830	19,145,610	352,375	185,796,065	1,072,428	52,540,120	72,192,733

Note 8 - Fixed Assets Schedule as per Companies Act, 2013 for the Year ended on March 31, 2016
Intangible Fixed Assets

Amount in ₹

Particulars	Gross Block			Depreciation				Net Block			
	Cost as at 01.04.2015	Addition during the Year	Sale/Adj During the Year	Cost as at 31.03.2016	Accumulated Depreciation as at 01.04.2015	Depreciation for the Year	Adjustment for the Year	Accumulated Depreciation as at 31.03.2016	Adjustment as per Company Act 2013	W.D.V As at 31.03.2016	W.D.V As at 31.03.2015
Software	21,267,316	-	-	21,267,316	17,927,175	1,566,266	-	19,493,441	-	1,773,875	3,340,141
Radio Licences Fees	49,910,000	109,453,903	49,910,000	109,453,903	35,786,679	7,311,577	35,786,679	7,311,577	-	102,142,326	14,123,321
Total	71,177,316	109,453,903	49,910,000	130,721,219	53,713,854	8,877,843	35,786,679	26,805,018	-	103,916,201	17,463,462

Note 9

Particulars	March 31, 2016	March 31, 2015
Other non-current assets		
Unamortised expenses		
Preliminary Expenses		
Opening Balance	157,674	236,506
Add: Incurred during the year	-	-
	157,674	236,506
Less: Written off during the year	78,832	78,832
Total	78,842	157,674

Note 10

Particulars	March 31, 2016	March 31, 2015
Inventories		
Finished goods	19,821,345	18,570,715
Total	19,821,345	18,570,715

Note 11

Particulars	March 31, 2016	March 31, 2015
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	346,172	568,018
Less: Provision for doubtful trade receivables	-	-
Sub Total	346,172	568,018
Other Trade receivables	42,282,629	22,913,294
Less: Provision for doubtful trade receivables	-	-
Sub Total	42,282,629	22,913,294
Total	42,628,801	23,481,312

Note 12

Particulars	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Cash in hand	3,297	354,271
Balance with bank		
In current accounts	3,541,833	3,699,750
In deposit accounts	148,618	1,849,269
In earmarked accounts		
- Balances held as security against guarantees	4,175,821	1,301,200
Others		
Imprest with staff	620,189	398,828
Total	8,489,758	7,603,318

Note 13

Particulars	March 31, 2016	March 31, 2015
Short term loans and advances		
A. Balances with government authorities		
Advance Taxes	7,130,587	3,549,802
Sub Total	7,130,587	3,549,802
B. Security Deposits		
	12,731,332	7,813,361
	12,731,332	7,813,361
Less: Provision for doubtful loans and advances	-	-
Sub Total	12,731,332	7,813,361
C. Prepaid Expenses		
	7,848,252	6,232,519
Sub Total	7,848,252	6,232,519
D. Loans and advances to employees		
Unsecured, considered good	173,000	33,500
	173,000	33,500
Less: Provision for doubtful loans and advances	-	-
Sub Total	173,000	33,500
E. Others		
Advance to Vendor	950,168	466,000
Sub Total	950,168	466,000
Total	28,833,339	18,095,182

Note 14

Particulars	March 31, 2016	March 31, 2015
Revenue from Operations		
Revenue from - Sale of Services		
Advertisement sales revenue	80,264,180	74,825,738
Total	80,264,180	74,825,738

Note 15

Particulars	March 31, 2016	March 31, 2015
Finance Costs		
A. Interest expense on		
Borrowing	7,456,318	10,119,379
B. Other borrowing costs		
Bank Charges	96,133	109,439
Total	7,552,451	10,228,818

Note 16

Particulars	March 31, 2016	March 31, 2015
Other Income		
Interest income		
Deposits	1,354,660	184,428
Others	-	32,690
Other non-operating income (net of expenses directly attributable to such income)		
Miscellaneous income	18,249	-
Sundry balance written back	211,402	-
Profit on sale of assets	33,222	-
Total	1,617,533	217,118

Note 17

Particulars	March 31, 2016	March 31, 2015
Employee Benefits Expense		
Salaries , wages and Bonus	15,767,074	16,532,745
Contribution to Provident and other funds	822,725	904,543
Staff welfare expenses	428,706	311,200
Total	17,018,505	17,748,488

Note 18

Particulars	March 31, 2016	March 31, 2015
Other Expenses		
Power and fuel	16,591,750	16,419,860
Rent	1,341,434	1,288,260
Repairs to buildings	49,459	49,404
Repairs to machinery	705,075	854,411
Insurance	18,993	15,835
Rates and taxes , excluding, taxes on income	444,453	998,806
Payment to auditors		
- As Auditor	100,000	75,000
- For Taxation Matters	50,000	50,000
- For Management Services	25,000	25,000
- For Reimbursement of Expenses	11,970	6,451
Professional Charges	886,240	807,600
Royalty	840,000	914,754
Programming & Promo Expenses	1,819,944	1,500,000
License & Other Operational Fees	18,077,686	16,097,194
Security Services	1,398,473	1,191,379



Office Expense	1,078,620	813,024
Telephone , Postage and Internet Expenses	913,841	910,633
Conveyance	1,910,495	1,868,773
Miscellaneous Expenses	1,176,062	1,389,487
Total	47,439,495	45,275,871



Skyline Radio Network Limited

Note-19

Corporate Information

Skyline Radio Network Limited was incorporated on 31st October 2005 with main objective to carry on the business of Radio Broadcasting through FM radio channels.

Presently the company is running FM radio channel at frequency of 106.4 MHz under the brand name “Dhamaal24” “Har Khushi Hai Jahan” at 10 locations viz, Hissar, Karnal, Patiala, Shimla, Ranchi, Muzaffarpur, Jabalpur, Ahmednagar, Dhule and Jalgaon.

Note-20

Significant Accounting Policies

20.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India.

20.2 Use of Estimates

The preparation of the financial statements is in accordance with Generally Accepted Accounting Principles. It requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from these estimates and a revision to such accounting estimates is recognized in the accounting period in which such a revision takes place.

20.3 Inventories

Stock of Tapes, Cassettes, Discs and Electronic Devices

Inventories of raw stock consists of tapes, cassettes, compact discs and other electronic devices which are valued at lower of cost or estimated net realizable value. Cost is taken on First in First out basis (FIFO).

Inventories Related to Radio Software and Programme Pilots

The entire cost of the programme is charged to income when the programme is first exploited. The inventory thus comprises of unamortized cost of such programmes. In case of Programme Pilots, the cost is expensed-off on first telecast or on after the review of

realisability.

20.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

20.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

20.6 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

20.7 Depreciation

Depreciation on fixed asset is provided on Written down Value method at the rates and in the manner prescribed in schedule II of the Companies Act, 2013.

20.8 Revenue recognition

Advertisement revenue from sale of advertising time is recognized on the accrual basis when advertisements are telecast in accordance with contractual obligations.

Revenue is reported net of discounts.

20.9 Other Income

Interest income is recognised using the time proportion method, based on the transactional interest rates.

20.10 Fixed Assets and Capital Work-in-Progress

Tangible fixed assets

The Fixed assets are stated at cost less accumulated depreciation and impairment. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction/installation and attributable to bringing the asset to its intended use. Fixed assets are further adjusted by the amount of CENVAT credit available, wherever applicable. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on fixed assets is provided as per WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Depreciation for the year is recognised in the Statement of Profit and Loss.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost

are recognized in the Statement of Profit and Loss.

Capital work-in-progress

Capital work in progress comprises of cost of fixed assets that are not yet ready for their intended use and outstanding advances paid to acquire fixed assets, at the balance sheet date.

20.11 Intangible Fixed Assets

Intangible Fixed Assets

The Intangible assets are stated at cost less accumulated depreciation and impairment. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction/ installation and attributable to bringing the asset to its intended use. Fixed assets are further adjusted by the amount of CENVAT credit available, wherever applicable.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

20.12 Foreign Currency Transactions

a) Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All nonmonetary assets and liabilities are stated at the rates prevailing on the dates of the transactions. Gains / (losses) arising out of fluctuations in the exchange rates are recognised as income / expense in the period in which they arise

b) In the cases of exchange difference on reporting long term monetary items, the company has opted to avail the option provided under paragraph 46A of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" inserted vide notification dated 29 December 2011. Consequently, the exchange differences arising on reporting of long term foreign currency monetary items on account of a depreciable asset is adjusted in the cost of depreciable asset and would be depreciated over the balance life of the asset.

In cases other than the depreciable assets

exchange differences is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset or liability.

- c) The Company does not have any outstanding foreign exchange forward contracts or other derivative instruments for the purpose of hedging the risk associated with foreign exchange exposures as at the year end.

20.13 Investments

Non Current investments are stated at cost or fair value whichever is lower. Long term investments are stated at cost. Provision for diminution in value of long term investment is made, if the diminution is other than temporary. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

20.14 Employee Benefits

The company has contributed to employee's provident fund as per provisions of the Employee's Provident Fund Act, 1952 and is charged to Statement of Profit and Loss.

The company has contributed to employee's state insurance fund as per provisions of the ESI Act, 1948 and is charged to Statement of Profit and Loss.

As per the Company's policy, the gratuity is payable as per the provisions of the payment of Gratuity Act. Liability in respect of Gratuity is provided for on the basis of an actuarial valuation as at the date of Balance Sheet.

Bonus is paid and charged to Statement of Profit and Loss as per the provisions of "The Payment of Bonus Act, 1965".

20.15 Borrowing Costs

Borrowing cost that is attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset when first put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

20.16 Segmental Reporting

In accordance with Accounting Standard -17 issued by the Institute of Chartered Accountants of India, the company's business segment is radio FM broadcasting and it has no other primary reportable segment. The Company caters only to the needs of Indian market hence there are no reportable geographical segments.

20.17 Earnings Per Share (EPS)

The Company reports Basic Earning per equity share in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India.

Basic Earnings per equity share has been computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing the diluted earning per share comprises of the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

20.18 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent, the aforesaid convincing evidence no longer

exists.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

20.19 Impairment of Assets

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset, or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there is a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent the carrying amount of the asset that does not exceed the carrying amount that would have been determined net off depreciation or amortisation, if no impairment loss had been recognised.

20.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

20.21 License Fee

As per the new Frequency Module (FM) broad effective from April, 2005 License Fees are charged to revenue at a rate of 4% of Gross Revenue for the period or 10% of revenue one time entry fees (ROTEF*) for the concerned city, whichever is higher. Gross Revenue for this purpose shall mean revenue on the basis of billing rate inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agency. Barter advertising contracts shall also be included in gross revenue on basis of relevant billing rates.

[* ROTEF means 25% of highest value bid in the city]

20.22 Miscellaneous Expenditure

Preliminary Expenses

Preliminary expenses are amortized over a period of ten

years from the year of commencement of commercial operations.

21. Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent Liabilities and Commitments

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees -Bank Guarantee given	13,01,200	13,01,200
c) Other money for which the Company is contingently liable	Nil	Nil

*Bank Guarantee of Rs 5,13,000/- (Previous Year Rs 5,13,000) given by holding company to Ministry of Information and broadcasting for the purpose of all Licenses.

*Corporate Guarantee given by holding company on behalf of Skyline Radio Network Limited amounting to Rs. 9,85,00,000 to Dena Bank.

22. The Deferred Tax Liability (Net) comprises of the following:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance of Deferred Tax Liability (Net)	2,284,336	99,77,182
Related to Fixed Assets	4,951,228	(7,643,666)
Disallowance under the Income Tax Act	-	-
Related to Leave encashment & Gratuity	(35,289)	(49,180)
Deferred Tax Liability (Net)	7,200,275	2,284,336

23. **Employee Benefits**

As per Accounting Standard 15 (revised) 'Employees Benefits', the disclosures of employee benefits are given below:

a. Defined Contribution Plans :

Contribution to Defined Contribution Plan recognised as expense for the year is as under:

Employer's Contribution to Provident Fund

: Rs. 4,95,992 (Previous Year Rs. 5,20,093)

Employer's Contribution to ESI

: Rs.1,54,324 (Previous Year Rs. 1,55,919)

Defined Benefit Plans:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

a) Change in present value of obligation

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the beginning of the period	4,66,988	3,95,825	70,383	69,172
Current Service Cost	1,17,321	1,20,748	21,018	21,845
Interest Cost	36,192	30,676	5,455	5,361
Expected Return on Plan Assets	--	--	--	--
Actuarial (gain)/loss	(57,374)	7,735	(8,407)	(25,995)
Past Service Cost	--	--	--	--
Benefit Paid	--	(87,996)	--	--
Present value of obligation as at the end of the period	5,63,127	4,66,988	88,449	70,383

b) Expense recognized in the statement of profit and loss

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current service cost	1,17,321	1,20,748	21,018	21,845
Past service cost	--	--	--	--
Interest cost	36,192	30,676	5,455	5,361
Expected return on plan assets	--	--	--	--
Curtailement cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	(57,374)	7,735	(8,407)	(25,995)
Expenses recognized in the statement of profit & losses	96,139	1,59,159	18,066	1,211

c) Actuarial gain/loss recognized

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Actuarial gain/(loss) for the period-obligation	57,374	(7,735)	8,407	25,995
Actuarial (gain)/loss for the period - plan assets	--	--	--	--
Total (gain)/loss for the period	(57,374)	7,735	(8,407)	(25,995)
Actuarial (gain) / loss recognized in the period	(57,374)	7,735	(8,407)	(25,995)
Unrecognized actuarial (gains) losses at the end of period	--	--	--	--

d) The amounts to be recognized in balance sheet and related analysis

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the end of the period	5,63,127	4,66,988	88,449	70,383
Fair value of plan assets as at the end of the period	--	--	--	--
Funded status / Difference	(5,63,127)	(4,66,988)	(88,449)	(70,383)
Excess of actual over estimated	--	--	--	--
Unrecognized actuarial (gains)/losses	--	--	--	--
Net asset/(liability) recognized in balance sheet	(5,63,127)	(4,66,988)	(88,449)	(70,383)

e) Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount Rate (%)	8.00	7.75	8.00	7.75
Expected Rate of increase in Compensation Levels (%)	5.50	5.25	5.50	5.25
Expected Rate of Return on Plan Assets	--	--	--	--
Expected Average remaining working lives of employees (years)	25.44	26.51	25.44	26.51

ii) Demographic Assumption

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)
Up to 30 Years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term

employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

24. As per Accounting Standard 18, 'Related Party Disclosures,' notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related parties as defined therein are given below:

i) List of Related Parties:

Name	Relationship
B.A.G. Films and Media Limited	Holding Company
Anuradha Prasad	Key Managerial Personnel
E24 Glamour Limited	Enterprises over which KMP are able to exercise significant influence
News24 Broadcast India Limited	Enterprises over which KMP are able to exercise significant influence
Skyline Tele Media Services Limited	Enterprises over which KMP are able to exercise significant influence

ii) Related Party Transactions:

(Amount in ₹)

Particular	Key Managerial Personnel (KMP)		Enterprises over which KMP are able to exercise significant influence		Holding Company	
	For Year Ended March 31,		For Year Ended March 31,		For Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Rent	240,000	240,000	NIL	NIL	NIL	NIL
Expense Reimbursed	NIL	NIL	NIL	NIL	60,02,920	65,71,990

25. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Amount due and outstanding to suppliers as at end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year have not been given.

26. Earnings /(Loss) per share (EPS) in accordance with Accounting Standard-20 issued by Institute of Chartered Accountants of India

(Amount in ₹)

S. No.	Particulars	2015-16	2014-15
		March 31, 2016	March 31, 2015
1	Net Profit /(Loss) after tax as per Statement of profit and loss	(21,818,500)	(36,639,581)

2	Short provision for tax of earlier years	(1,580,059)	(17,344,058)
3	Net Profit /(Loss) attributable to Equity Shareholders	(23,398,559)	(53,983,639)
4	Net Profit/(Loss) before Exceptional Item	(23,398,559)	(53,983,639)
5	Weighted Average number of equity shares used as denominator for calculating Basic EPS	29,014,100	29,014,100
6	Basic Earnings per share	(0.81)	(1.86)
7	Weighted Average number of equity shares used as denominator for calculating Diluted EPS	32,390,096	29,014,100
8	Diluted Earnings per share	(0.81)	(1.86)
9	Basic Earnings (before exceptional item) per share	(0.81)	(1.86)
10	Diluted Earnings (before exceptional item) per share	(0.81)	(1.86)
11	Face Value per equity share	10	10

27. Previous year's figures have been regrouped/reclassified to be comparable with current year's classification/disclosures.

For Joy Mukherjee & Associates

Chartered Accountants
Firm Registration No. : 006792C

Joy Mukherjee

Partner
M. NO. 074602
FRN: 006792

Place : Noida
Date : May 28, 2016

For and on the behalf of the Board of Directors

Anuradha Prasad

Director
DIN No. 00010716

Ajay Mishra
Company Secretary

Sarad Kumar

Director
DIN No. 02675515

Vinay Kumar Srivastav
Chief Financial Officer

Skyline Radio Network Limited
Cash Flow Statement for the year ended March 31, 2016

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(16,901,561)		(44,332,427)
Adjustments for:				
Depreciation and amortisation	28,023,453		45,791,566	
(Profit) / loss on sale / write off of assets	(33,222)		-	
Finance costs	7,552,451		10,228,818	
Liabilities / provisions no longer required written back	(211,402)		-	
Adjustment relating to earlier year	(507,631)		-	
		34,823,649		56,020,384
Operating profit / (loss) before working capital changes				
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(1,250,630)		330,540	
Trade receivables	(19,147,489)		(5,986,119)	
Short-term loans and advances	(10,738,158)		(1,204,711)	
Other non-current assets	78,832		78,832	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	30,570,988		(18,647,510)	
Other current liabilities	(27,590,872)		44,982,472	
Long-term provisions	114,205		72,374	
		(27,963,124)		19,625,878
		(10,041,036)		31,313,835
Net cash flow from / (used in) operating activities (A)		(10,041,036)		31,313,835
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(110,049,767)		(407,775)	
Proceeds from sale of fixed assets	14,186,982		-	
Purchase of long-term investments				
- Others	-		69,000	
		(95,862,785)		(338,775)
Net cash flow from / (used in) investing activities (B)		(95,862,785)		(338,775)

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
C. Cash flow from financing activities				
Share application money received / (refunded)	66,275,000		-	
Proceeds from long-term borrowings	48,067,712		-	
Repayment of long-term borrowings	-		(22,279,519)	
Finance cost	(7,552,451)		(10,228,818)	
		106,790,261		(32,508,337)
Net cash flow from / (used in) financing activities (C)		106,790,261		(32,508,337)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		886,440		(1,533,277)
Cash and cash equivalents at the beginning of the year		7,603,318		9,136,595
Cash and cash equivalents at the end of the year		8,489,758		7,603,318
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		8,489,758		7,603,318
Less: Bank balances not considered as Cash and cash equivalents		-		-
Net Cash and cash equivalents		8,489,758		7,603,318
Add: Current investments considered as part of Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year *		8,489,758		7,603,318
* Comprises:				
(a) Cash on hand		3,297		354,271
(b) Balances with banks				
(i) In current accounts		3,541,833		3,699,750
(ii) In deposit accounts with original maturity of less than 3 months		148,618		1,849,269
(iii) In earmarked accounts		4,175,821		1,301,200
(d) Others				
Imprest with staff		620,189		398,828
		8,489,758		7,603,318

For Joy Mukherjee & Associates

Chartered Accountants
Firm Registration No. : 006792C

Joy Mukherjee

Partner
M. NO. 074602
FRN: 006792

Place : Noida
Date : May 28, 2016

For and on the behalf of the Board of Directors

Anuradha Prasad

Director
DIN No. 00010716

Ajay Mishra
Company Secretary

Sarad Kumar

Director
DIN No. 02675515

Vinay Kumar Srivastav
Chief Financial Officer



B.A.G. FILMS AND MEDIA LIMITED

Corporate Office: FC-23, Sector-16A,
Film City, Noida - 201 301 (U.P.)