



**18<sup>th</sup> Annual Report**  
**2022-23**

**SKYLINE RADIO NETWORK LIMITED**

## BOARD'S REPORT

To,  
The Members of,  
**Skyline Radio Network Limited**

The Directors have pleasure in presenting the 18<sup>th</sup> Annual Report on business and operations of the Company together with Audited Financial Statements for the financial year ended on March 31, 2023.

### 1. FINANCIAL RESULTS

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

Particulars	(Rupees in Lakhs)	
	2022-23	2021-22
Total Income	785.79	640.74
Profit before Depreciation & Financial Charges	(347.18)	(247.23)
Financial Charges	0.10	39.35
Cash Profit	(347.28)	(286.58)
Depreciation	103.50	114.87
Profit before Tax	(450.77)	(401.45)
Provision for Tax	(11.69)	(11.80)
Profit/Loss after Tax	(439.08)	(389.65)
Proposed Dividend	Nil	Nil

### 2. FINANCIAL PERFORMANCE

During the period under review, revenue from operations of the Company has increased from Rs. 633.42 Lakhs to Rs. 781.68 Lakhs. However, net loss after tax of the Company increased from Rs. 389.67 Lakhs to Rs. 439.08 Lakhs, due to increased cost of production.

### 3. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Your Company has ten FM radio stations, on frequency 106.4 in the name of "**Dhamaal24 - Har Khushi hai Jahan**". Many of its shows are household names in all ten cities where it is operational i.e. Hissar, Karnal, Patiala, Ranchi, Muzaffarpur, Dhule, Jalgaon, Ahemednagar, Simla and Jabalpur. Radio industries is gradually recovering from COVID-19 crisis. The management is exploring various options to sustain and build revenues.

The Company has been exploring collaboration with other radio players in order to increase revenues and optimize costs.

### 4. DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2023 on account of losses during the year under review. The Company has not made any transfer to General Reserve.

### 5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

## **6. DEPOSITS**

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

## **7. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

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

## **8. DIRECTORS**

As on March 31, 2023 there are four Directors on the Board of the Company viz. Ms. Anuradha Prasad Shukla (DIN- 00010716), Dr. Anuradha Mishra (DIN- 01725234), Mr. Sudhir Shukla (DIN: 01567595) and Ms. Urmila Gupta (DIN:00637110).

Besides, Ms. Anuradha Prasad Shukla, the Managing Director, the Board of Directors (herein after referred as "the Board") of the Company has two women Independent Director, viz. Ms. Urmila Gupta and Dr Anuradha Mishra.

### **Independent Directors**

In terms of definition of Independent Director as prescribed under the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:

1. Ms. Urmila Gupta
2. Dr. Anuradha Mishra

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued.

### **Appointments/ Resignations from the Board of Directors**

During the year under review, Ms. Urmila Gupta (DIN: 00637110) was reappointed as an Independent Director for further period of five years on 14.07.2022 and Mr. Anil Kapoor (DIN:05113976), Director of the company was sad demised as on 21.04.2022.

The Board recorded his appreciation for the assistance and guidance provided by Mr. Anil Kapoor during his tenure as a Director of the Company.

### **Appointments/ Resignations of the Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are Ms. Anuradha Prasad Shukla, Managing Director; Mr. Vinay Kumar Srivastava, Chief Financial Officer and Mr. Lokesh Gautam, Company Secretary.

### **Directors Retiring by Rotation**

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Sudhir Shukla (DIN: 01567595), is liable to retire by rotation and being eligible, offers himself for re-appointment. The appointment is subject to approval of shareholders in the ensuing annual general meeting.

### **Meetings**

During the Financial Year under review, 8 (eight) Meetings of the Board of Directors were duly convened on 19.05.2022, 30.05.2022, 28.06.2022, 26.07.2022, 09.08.2022, 14.11.2022,

10.02.2023 and 29.03.2023. The intervening gap between the Meetings was within the time limit prescribed under the Companies Act, 2013 read with the rules made thereunder.

The Board meets at regular intervals to discuss and decide on Company policy and strategy apart from other regular business. The Board/Committee meetings are pre scheduled and a tentative calendar of Board and Committee meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. The meetings of the Board are generally held at the Corporate Office of the Company at FC-23, Film City, Sector-16A, Noida -201301, Uttar Pradesh.

### **Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)**

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at the AGM held on August 29 2022</b>
1	Ms. Anuradha Prasad Shukla	7 of 8	Present
2	Mr. Sudhir Shukla	8 of 8	Present
3	Ms. Urmila Gupta	8 of 8	Present
4	Dr. Anuradha Mishra	5 of 8	Absent

### **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. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed before the Board.

### **9. AUDIT COMMITTEE**

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Act 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 of the Company. The 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 and Meeting 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. Sudhir Shukla, Non-Executive Director and Ms. Urmila Gupta, Non-Executive Independent Director.

All the members possess financial, management and accounting knowledge/ expertise and have held or hold senior positions in several reputed organizations. The intervening gap between the Meetings was within the time limit prescribed under the Companies Act, 2013 read with the rules made thereunder.

During financial year 2022-23, six Audit Committee Meetings were held on May 30, 2022; July 26, 2022, August 09, 2022, November 14, 2022, February 10, 2023 and March 29, 2023 respectively.

### **10. NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee of Directors in compliance with provisions of Section 178 of the Act. 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 and Meeting of the Committee**

As on March 31, 2023, Nomination and Remuneration Committee comprises of Executive and Non-executive Directors. The Chairperson of the Committee is Dr. Anuradha Mishra, Non-Executive Independent Director and other members of the Committee were Ms. Urmila Gupta, Non-Executive Independent Director and Mr. Sudhir Shukla, Non-Executive Director. Mr. Lokesh Gautam, the Company Secretary of the Company acts as the Secretary of the Committee.

During financial year 2022-23, two Nomination and Remuneration Committee Meetings were held on June 28, 2022 and March 29, 2023 respectively.

### **(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 based on 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 Act is furnished in **Annexure I** and forms part of this Report.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual financial statements for the year ended March 31, 2023, 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 March 31, 2023 and of 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 Act 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.

## **12. EXTRACT OF ANNUAL RETURN**

The Annual Return of the Company as on 31st March, 2023 is available on the website of the Company at <https://dhamaal24.com>.

## **13. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

## **14. INTERNAL FINANCIAL CONTROLS**

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

## **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act forms part of the *Notes to the Financial Statements* provided in this Annual Report.

## **16. AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

M/s. Kumar Khare & Co., Chartered Accountants (ICAI Firm Registration No 006740C), were appointed as Statutory Auditors of the Company at the 12<sup>th</sup> Annual General Meeting held on September 26, 2017 for a term of five consecutive years on remuneration mutually agreed upon by the Board of Directors and Statutory Auditors. The period of office of Statutory Auditors expired on 17<sup>th</sup> Annual General Meeting of the Company.

During the year under review, the Board has, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc at its meeting held on July 26, 2022 on the recommendation of Audit Committee, has recommended to the Shareholders, the appointment of M/s Joy Mukherjee & Associates, Chartered Accountants (ICAI Registration No. 006792C) as Statutory Auditor of the Company.

The Shareholders at its 17<sup>th</sup> Annual General Meeting held on August 29, 2022 has approved the the appointment of M/s Joy Mukherjee & Associates, Chartered Accountants (ICAI Registration No. 006792C) as Statutory Auditor of the Company for a period of five years from the conclusion of 17<sup>th</sup> Annual General Meeting till the conclusion of 22<sup>nd</sup> Annual General Meeting of the Company.

As per the requirement of the Act, as amended, M/s Joy Mukherjee & Associates, Chartered Accountants have given their consent to act as the Statutory Auditor of the Company and confirmed that the appointment is within the limits specified under Section 141(3)(g) of the Act and is not disqualified to be appointed as Statutory Auditor in terms of the provisions of the Section 139 and 141 of the Act, the Chartered Accountants Act, 1949 and the rules made thereunder.

### **Qualification in Auditors Reports**

The Report given by the Statutory Auditors on the financial statements of the Company forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by M/s Joy Mukherjee & Associates, Chartered Accountants, Statutory Auditors, in their report for the financial year 2022-23.

There is no instance of fraud during the year under review which requires the statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Act and Rules framed thereunder.

### **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors and have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

### **17. POLICY ON PREVENTION, PROHIBITION, AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace as per the requirement of the sexual harassment of women at workplace (prevention, prohibition & redressal) Act, 2013 ('POSH Act') and Rules made thereunder. The Company has also constituted an Internal Complaint Committee (ICC) to redress complaints received regarding sexual harassment. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has also constituted ICCs at all its locations, known as the Prevention of Sexual Harassment ('POSH') Committees, to inquire into complaints of sexual harassment and recommend appropriate action. No complaint has been registered with the Company during the year under review.

### **18. MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material events, changes, commitments have occurred between the end of Financial Year 2022-23 and the date of this Report which have effect over the financial position of the company.

### **19. 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 Act 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 in foreign currency and has not earned in foreign currency.

### **20. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.**

During the period under review, the Company has not made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

### **21. PERSONNEL**

There is no employee whose particulars are required to be disclosed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

### **22. SECRETARIAL AUDIT**

During the period under review the Company is not covered under the criteria of applicability of Secretarial Audit pursuant to the provision of section 204 of the Companies Act, 2013.



### **23. 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.

### **24. 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 Act including certain arm's length transactions under third proviso thereto are disclosed in **Form No. AOC 2** in **Annexure I** and form part of this Report.

### **25. SHARE CAPITAL**

There is only one class of shares i.e. equity share of face value of Rs.10 each. The authorized share capital is Rs. 320,000,000 divided in to 32,000,000 equity shares of Rs. 10 each. The issued subscribed and paid up Equity Share Capital stood at Rs. 290,141,000/- divided in to 29,014,100 equity shares of Rs. 10 each as at March 31, 2023 which is same as at March 31, 2022.

### **26. 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.

### **27. ACKNOWLEDGEMENTS**

Your Directors thank the various Central and State Governments 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, 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 Shukla**  
**Chairperson**  
DIN: 00010716

Place: Noida  
Date: 29.05.2023

## **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 (NRC) 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 opportunity's employer. The organization does not discriminate on grounds of age, gender, color, 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.

It is constant endeavor of the organization 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 endeavored to follow 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, such as significant 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 organization.
- 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 organization 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 if the 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 approved,

- 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.

### **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 them 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 MANAGEMENT**

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 which here means, the core management team comprising of such members of management as determined by the Company under Layer 1 of

the System-Driven Disclosures in respect of Regulation 7(2)(b) of PIT Regulations, shall be determined by the Human Resources Department of the Company in consultation with Managing Director or Whole Time 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 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. 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:

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023 which were not at arm's length basis.

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

Sr. No.	Name of the related party	Nature of relationship	Nature of contracts or arrangements or transaction	Duration of contracts or arrangements or transactions	Salient Terms	Amount (₹ in Lakhs)
1.	B.A.G. Films and Media Limited	Holding Company	Leasing	Continuing	As per Related Party Transaction Policy	82.31
2.	Anuradha Prasad Shukla	Director	Leasing	Continuing	As per Agreement	2.40

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

**Anuradha Prasad Shukla**  
Chairperson  
DIN: 00010716

Place: Noida  
Date: 29.05.2023

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Skyline Radio Network Limited**

### **Report on the audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements Skyline Radio Network Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, on that date and notes to the financial statements including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA) specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Revenue Recognition**

##### **The Key Audit Matter**

Revenue is measured net of any trade discounts and volume rebates to customers ("discounts and rebates"). Material estimation by the Company is involved in recognition and measurement of rebates and discounts. This includes establishing an accrual at year end, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end.

We identified the evaluation of accrual for rebates and discounts as a key audit matter.



### **How the matter was addressed in our audit**

Our audit procedures included:

- Understanding the process followed by the Company to determine the amount of accrual for discounts and rebates.
- Evaluating the design, implementation and operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems including over rebates agreements/arrangements, rebates payment/ settlements and company's review over the rebate accruals.
- Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to rebates and discounts, we assessed the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards.
- Performing substantive testing by selecting samples of rebate and discount transactions recorded during the year and matching the parameters used in the computation with the relevant source documents.
- Testing actualisation of estimated accruals on a sample basis.
- Examining historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual at period end. We compared this expectation against the actual rebate accrual, completing further inquiries and obtaining underlying documentation, on a sample basis, as appropriate. Further, we also performed retrospective review to evaluate the precision with which management makes estimates.
- Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items and examining the underlying documentation.
- Checking completeness and accuracy of the data used by the Company for accrual of rebates and discounts.
- Testing a selection of rebate accruals recorded after 31 March 2023 and assessing whether the accrual is recorded in the correct period.
- Testing a selection of payments made after 31 March 2023 and where relevant, comparing the payment to the related rebate accrual.

### **Provisions and contingent liabilities relating to taxation, litigations and claims**

#### **The key audit matter**

The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business.

As at the year ended 31 March 2023, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.

### **How the matter was addressed in our audit**

Our audit procedures included:

- Understanding the process followed by the Company for assessment and determination of the amount of provision and contingent liabilities related to taxation, litigation and claims.
- Evaluating the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities.
- Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.
- Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team. We challenged the assumptions and critical judgements made by the Company which impacted the computation of the provisions and inspected the computation. We assessed the assumptions used and estimates of outcome and financial effect. We considered judgement of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors.
- Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome.
- Assessing the assumptions used and estimates of outcomes and financial effect, including considering judgement of the company, supplemented by experience of similar decisions previously made by the authorities and, in some case, relevant opinion given by company's advisor.
- Testing data used to develop the estimate for completeness and accuracy.
- Evaluating the company's disclosures in the standalone financial statement in respect of provision and contingent liabilities.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

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

## **Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor’s report) Order, 2016 (“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, 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, to the extent applicable, 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 (including other comprehensive income), the Statement of Changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our

report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amend. In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the company to its directors if any, during the year is in accordance with the provision of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable

**For Joy Mukherjee & Associates**  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

Place: Noida  
Dated: May 29, 2023

**CA J. Mukherjee**  
Partner  
Membership Number.074602  
UDIN: 23074602BGXTZN6318

## Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (b) The Company has a regular programme of physical verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties taken on lease that are disclosed as Property, Plant and Equipment in the financial statements.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records for each class of inventory.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- iii. The Company has not made any investment, provided guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties during the year covered in the register maintained under section 189 of Act. 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.
- iv. The Company has not made any investment, given any loan, guarantee, or security which attracts compliance of section 185 and 186 of Companies act. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- v. A The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii.
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the company.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any term loan during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company
- (e) On According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. Considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have not received any whistle blower complaint during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with the provisions of Section 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

**For Joy Mukherjee & Associates**  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

Place: Noida  
Dated: May 29, 2023

**CA J. Mukherjee**  
Partner  
Membership Number.074602  
UDIN: 23074602BGXTZN6318

## **Annexure “B” to the Independent Auditor’s Report**

### **Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Subsection 3 of Section 143 of the Act**

*(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Skyline Radio Network Limited of even date)*

We have audited the internal financial controls with reference to financial statements of B.A.G Films and Media Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls Over Financials Reporting(IFCoFR) and the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the “Guidance Note”) issued by the ICAI . Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



## **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI

**For Joy Mukherjee & Associates**  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

Place: Noida  
Dated: May 29, 2023

**CA J. Mukherjee**  
Partner  
Membership Number.074602  
UDIN: 23074602BGXTZN6318

**BALANCE SHEET**  
As at March 31, 2023

(₹ in Lakhs)

Particulars	Note	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	106.38	122.13
Capital work-in-progress		33.12	33.12
Intangible assets	4	510.61	583.53
		<b>650.11</b>	<b>738.78</b>
<b>Current assets</b>			
Inventories	5	164.37	170.01
Financial assets			
Trade receivables	6	634.46	516.34
Cash and cash equivalents	7	178.30	66.41
Other financial assets	8	29.75	224.58
Other current assets	9	543.93	530.58
		<b>1,550.81</b>	<b>1,507.92</b>
<b>Total</b>		<b>2,200.92</b>	<b>2,246.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	2,901.41	2,901.41
Other equity	11	(4,533.94)	(4,094.85)
		<b>(1,632.53)</b>	<b>(1,193.44)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	12	906.57	906.57
Provisions	13	0.24	1.44
Deferred tax liabilities (net)	14	115.63	127.32
		<b>1,022.44</b>	<b>1,035.33</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,109.80	855.23
Other financial liabilities	16	568.94	1,447.26
Other current liabilities	17	1,132.27	102.32
		<b>2,811.01</b>	<b>2,404.81</b>
<b>Total</b>		<b>2,200.92</b>	<b>2,246.70</b>

The accompanying notes are an integral part of the financial statements  
In terms of our report of even date

**For Joy Mukherjee & Associates**  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

**Anuradha Prasad Shukla**  
Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**CA J. Mukherjee**  
Partner  
Membership Number: 074602  
Place: Noida  
Date: May 29, 2023

**Vinay Kumar Srivastava**  
Chief Financial Officer

**Lokesh Gautam**  
Company Secretary

STATEMENT OF PROFIT AND LOSS  
For the year ended March 31,2023

( ₹ in Lakhs)

Particulars	Note	Year ended March 31,2023	Year ended March 31,2022
Revenue from operations	18	781.68	633.42
Other income	19	4.11	7.32
<b>Total Income</b>		<b>785.79</b>	<b>640.74</b>
<b>Expenses</b>			
Changes in inventories of finished goods, work-in-progress and traded goods	20	5.65	15.65
Employee benefits expense	21	31.20	80.27
Finance costs	22	0.10	39.35
Depreciation and amortisation expense	23	103.50	114.87
Other expenses	24	1,097.31	789.38
<b>Total Expenses</b>		<b>1,237.76</b>	<b>1,039.52</b>
<b>Profit before tax</b>		<b>(451.97)</b>	<b>(398.78)</b>
<b>Tax expense</b>			
Deferred tax		(11.69)	(11.80)
<b>Total tax expense</b>		<b>(11.69)</b>	<b>(11.80)</b>
<b>Profit for the year</b>		<b>(440.28)</b>	<b>(386.98)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gains/losses of defined benefit plans		1.20	(2.67)
<b>Other comprehensive income for the year (net of tax)</b>		<b>1.20</b>	<b>(2.67)</b>
<b>Total comprehensive income for the year</b>		<b>(439.08)</b>	<b>(389.65)</b>
Nominal value per share Rs.10/- each			
<b>Earnings per equity share</b>			
Basic earnings from operations attributable to share holders		(1.51)	(1.34)
Diluted earnings from operations attributable to share holders		(1.51)	(1.34)
Basis of preparation, measurement and significant accounting policies	2		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes  
As per our report of even date

For and on behalf of Board of Directors

For Joy Mukherjee & Associates  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

Anuradha Prasad Shukla  
Managing Director  
DIN : 00010716

Sudhir Shukla  
Director  
DIN : 01567595

CA J. Mukherjee  
Partner  
Membership Number: 074602  
Place: Noida  
Date: May 29, 2023

Vinay Kumar Srivastava  
Chief Financial Officer

Lokesh Gautam  
Company Secretary

**CASH FLOW STATEMENT**

For the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before extraordinary items and tax	(450.77)	(401.46)
Adjustments for:		
Depreciation and amortisation	103.50	114.87
Finance costs	0.10	39.35
	<u>103.60</u>	<u>154.22</u>
Cash generated from operations before working capital changes		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
(Increase)/ Decrease in Inventories	5.65	15.65
(Increase)/ Decrease in Trade receivables	(118.12)	(174.86)
(Increase)/ Decrease in other financial assets	194.82	82.98
(Increase)/ Decrease in other current assets	(13.35)	(168.38)
Adjustments for increase / (decrease) in operating liabilities:		
(Increase)/ Decrease in Trade payables	254.56	407.40
(Increase)/ Decrease in other current liabilities	1,029.95	(26.61)
(Increase)/ Decrease in provisions	(1.21)	(7.33)
	<u>1,352.31</u>	<u>128.85</u>
<b>Net cash flows generated from operating activities - [A]</b>	<b>1,005.14</b>	<b>(118.39)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for purchase of Property , plant and Equipment (PP&E)	(14.83)	-
Proceeds form sale of Property , plant and Equipment (PP&E)	(0.00)	-
<b>Net cash flows used in investing activities - [B]</b>	<b>(14.83)</b>	<b>-</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Other financial liabilities	(878.32)	209.79
Finance cost	(0.10)	(39.35)
	<u>(878.42)</u>	<u>170.44</u>
<b>Net cash flows used in financing activities - [C]</b>	<b>(878.42)</b>	<b>170.44</b>
<b>Net increase / (decrease) in Cash and cash equivalents- [A+B+C]</b>	<b>111.89</b>	<b>52.05</b>
Cash and cash equivalents at the beginning of the year	66.41	14.36
<b>Cash and cash equivalents at the end of the year (refer note 8)</b>	<b>178.30</b>	<b>66.41</b>

Note: The above Cash Flows Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Cash Flows Statement'.

The above Cash Flows Statement should be read in conjunction with the accompanying notes

As per our report of even date

For and on behalf of Board of Directors

For Joy Mukherjee & Associates

Chartered Accountants

ICAI Firm Registration Number. 006792C

Anuradha Prasad Shukla

Managing Director

DIN : 00010716

Sudhir Shukla

Director

DIN: 01567595

CA J. Mukherjee

Partner

Membership Number: 074602

Place: Noida

Date: May 29, 2023

Vinay Kumar Srivastava

Chief Financial Officer

Lokesh Gautam

Company Secretary

**Statement of Changes in Equity**  
For the year ended March 31, 2023

**A. Equity Share Capital** (₹ in Lakhs)

Particulars	Note	Balance
At the beginning of the year		2,901.41
Changes in equity share capital during the year		-
At the end of the year	10	<u>2,901.41</u>

**B. Other Equity**

(₹ in Lakhs)

Particulars	Note	Reserves and surplus		Items of Other Comprehensive Income (OCI)	Total other equity
		Securities Premium Reserves	Retained earnings	Remeasurements of net defined benefit plans	
<b>Balance as at 1 April 2021</b>	11	1,367.12	(5,067.28)	(5.04)	(3,705.20)
Profit for the year		-	(386.98)		(386.98)
Other comprehensive income (net of tax)		-		(2.67)	(2.67)
<b>Total comprehensive income for the year ended 31 March 2022</b>		-	(386.98)	(2.67)	(389.65)
<b>Transactions with owners in their capacity as owners</b>					
Transfer from Retained earnings to General reserve		-	-	-	-
<b>Balance as at 31 March 2022</b>		<u>1,367.12</u>	<u>(5,454.26)</u>	<u>(7.71)</u>	<u>(4,094.85)</u>
Profit for the year		-	(440.28)	-	(440.28)
Other comprehensive income (net of tax)		-	-	1.20	1.20
<b>Total comprehensive income for the year ended 31 March 2023</b>		-	(440.28)	1.20	(439.08)
<b>Transactions with owners in their capacity as owners</b>					
Transfer from Retained earnings to General reserve		-	-	-	-
<b>Balance as at 31 March 2023</b>	11	<u>1,367.12</u>	<u>(5,894.54)</u>	<u>(6.52)</u>	<u>(4,533.94)</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

**For Joy Mukherjee & Associates**  
Chartered Accountants  
ICAI Firm Registration Number. 006792C

**Anuradha Prasad Shukla**  
Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN: 01567595

**CA J. Mukherjee**  
Partner  
Membership Number: 074602  
Place: Noida  
Date: May 29, 2023

**Vinay Kumar Srivastava**  
Chief Financial Officer

**Lokesh Gautam**  
Company Secretary

**10. EQUITY SHARE CAPITAL****(₹ in Lakhs)**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Authorised Share Capital</b> 32,000,000 (31st March, 2022: 32,000,000 )equity shares of Rs 10/- each	3,200.00	3,200.00
<b>Issued, subscribed and fully paid share capital</b> 29,014,100 (31st March, 2022: 29,014,100 ) equity shares of Rs 10/- each	2,901.41	2,901.41
<b>Total</b>	<b>2,901.41</b>	<b>2,901.41</b>

**(i) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
B.A.G. Films and Media Limited	20,614,100	71.05	20,614,100	71.05
ARVR Communications Private Limited	5,200,000	17.92	5,200,000	17.92

**(ii) The reconciliation of the number of shares outstanding is set out below:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	Amount	Number of shares held	Amount
<b>Equity share with Voting Rights</b>				
Equity shares outstanding at the beginning of the year	29,014,100	2,901.41	29,014,100	2,901.41
Add: Issue of Equity Shares during the year	-	-	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>29,014,100</b>	<b>2,901.41</b>	<b>29,014,100</b>	<b>2,901.41</b>

**(iii) Details of shareholdings by the Promoter's of the Company**

Name of Shareholders	As at March 31, 2023		As at March 31, 2022		% change during the
	No. of Shares	% held	No. of Shares	% held	
Anuradha Prasad Shukla	1	0.00	1	0.00	-
B.A.G Films and Media Limited	20,614,099	71.05	20,614,099	71.05	-
ARVR Communications Private Limited	5,200,000	17.92	5,200,000	17.92	-

**(iv) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five**

During the current year and preceding five years, no shares were issued by the Company.

**(v) Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, 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.

**(vi)** The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

**(vii)** As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**(viii)** The Company has not allotted any bonus share or brought back any share during the current year or a period of 5 years immediately preceding the balance sheet date.

**11. OTHER EQUITY****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(a) Securities Premium Reserves	1,367.12	1,367.12
(b) Retained Earnings	(5,901.06)	(5,461.97)
<b>Total</b>	<b>(4,533.94)</b>	<b>(4,094.85)</b>

**Nature and purpose of reserves :**

a) General Reserve : General reserve is created out of transfer from retained earnings and is a free reserve. General reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013 it was mandatory to transfer amount before a company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

b) Securities Premium Account : Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Retained earning : Retained Earnings are profits that the Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

**12. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Optionally fully convertible Debentures	906.57	906.57
<b>Total</b>	<b>906.57</b>	<b>906.57</b>

**13. PROVISIONS**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provision for Employee benefits		
- Provision for Gratuity	0.21	1.41
- Provision for Leave encashment	0.03	0.03
<b>Total</b>	<b>0.24</b>	<b>1.44</b>

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**14. DEFERRED TAX LIABILITIES**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Deferred tax liabilities (net)	115.63	127.32
<b>Total</b>	<b>115.63</b>	<b>127.32</b>

**15. TRADE PAYABLE**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trade payables- micro and small enterprises*	-	-
Trade payables	1,109.80	855.23
<b>Total</b>	<b>1,109.80</b>	<b>855.23</b>

enterprises. Development Act, 2006 (MSME Act), no interest is paid/payable during the year to any micro/small enterprise registered under the MSME. There were no delayed payment during the year to any micro or small enterprise registered under MSME Act. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023**

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 years	1-2 Years	2-3 Years	More than 3 years	
Undisputed dues- MSME	-	-	-	-	-	-
Undisputed dues - Others	477.43	632.37	-	-	-	1,109.80
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>477.43</b>	<b>632.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,109.80</b>

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022**

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 years	1-2 Years	2-3 Years	More than 3 years	
Undisputed dues- MSME	-	-	-	-	-	-
Undisputed dues - Others	469.69	385.54	-	-	-	855.23
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>469.69</b>	<b>385.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>855.23</b>

**16. OTHER FINANCIAL LIABILITIES**
**(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Loans and advances from related parties	568.94	497.25
Other loans and advances	-	950.01
<b>Total</b>	<b>568.94</b>	<b>1,447.26</b>

**17. OTHER CURRENT LIABILITIES**
**(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Other payables		
Statutory and other liabilities	0.78	0.86
Other Liabilities	1,125.55	90.31
Employee Cost	5.94	11.15
<b>Total</b>	<b>1,132.27</b>	<b>102.32</b>

**5. INVENTORIES**
**(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Finished goods	164.37	170.01
<b>Total</b>	<b>164.37</b>	<b>170.01</b>

**6. TRADE RECEIVABLES**
**(Unsecured unless otherwise stated)**
**(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good- Secured	634.46	516.34
Trade Receivables considered good- Unsecured	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>Total</b>	<b>634.46</b>	<b>516.34</b>

**Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023**



Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed trade receivables considered good	223.87	225.18	73.60	45.00	15.34	51.47	634.46
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>223.87</b>	<b>225.18</b>	<b>73.60</b>	<b>45.00</b>	<b>15.34</b>	<b>51.47</b>	<b>634.46</b>
Less: Allowance for doubtful trade receivables billed (B)	-	-	-	-	-	-	-
<b>Total (A+B)</b>	<b>223.87</b>	<b>225.18</b>	<b>73.60</b>	<b>45.00</b>	<b>15.34</b>	<b>51.47</b>	<b>634.46</b>

**Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022**

Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed trade receivables considered good	188.09	144.31	17.61	62.70	74.87	28.77	516.34
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>188.09</b>	<b>144.31</b>	<b>17.61</b>	<b>62.70</b>	<b>74.87</b>	<b>28.77</b>	<b>516.34</b>
Less: Allowance for doubtful trade receivables billed (B)	-	-	-	-	-	-	-
<b>Total (A+B)</b>	<b>188.09</b>	<b>144.31</b>	<b>17.61</b>	<b>62.70</b>	<b>74.87</b>	<b>28.77</b>	<b>516.34</b>

**7. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Cash in hand	0.04	0.07
Balance with bank		
-In current accounts	178.00	66.08
- Term deposits with original maturity of less than three months	0.26	0.26
<b>Total</b>	<b>178.30</b>	<b>66.41</b>

**Notes:**

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**8. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

(Unsecured , good, unless stated otherwise)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Loans and advances to related parties	-	154.21
Loans and advances to employees	8.30	3.35
Advance to Other	21.45	67.02
<b>Total</b>	<b>29.75</b>	<b>224.58</b>

#### 9. OTHER CURRENT ASSETS

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balances with government authorities	90.88	90.68
Security Deposits	293.97	291.27
Prepaid Expenses	159.08	148.63
<b>Total</b>	<b>543.93</b>	<b>530.58</b>

#### 18. REVENUE FROM OPERATIONS

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Revenue from Operations</b>		
Advertisement sales revenue	781.68	633.42
<b>Total</b>	<b>781.68</b>	<b>633.42</b>

#### 19. OTHER INCOME

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Interest Income</b>		
Deposits	4.01	6.54
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Miscellaneous income	0.10	0.78
<b>Total</b>	<b>4.11</b>	<b>7.32</b>

#### 20. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRES AND TRADED GOODS

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Opening inventories</b>		
Finished Goods	170.01	(185.66)
<b>Closing inventories</b>		
Finished Goods	(164.37)	170.01
<b>Total</b>	<b>5.64</b>	<b>15.65</b>

#### 21. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Salaries, wages, bonus, commission and other benefits	31.20	79.10
Contribution to Provident and other funds	-	1.15
Staff welfare expenses	-	0.02
<b>Total</b>	<b>31.20</b>	<b>80.27</b>

#### 22. FINANCE COSTS

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<u>Interest expense on</u> Borrowing	0.09	37.49
<u>Other borrowing costs</u> Bank Charges	0.01	1.86
<b>Total</b>	<b>0.10</b>	<b>39.35</b>

### **23. DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Depreciation of property, plant and equipment (Refer Note 3)	103.50	114.87
<b>Total</b>	<b>103.50</b>	<b>114.87</b>

### **24. OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Power and fuel	112.67	149.41
Rent	27.11	23.00
Repairs to machinery	28.18	19.36
Insurance	0.55	0.55
Rates and taxes , excluding, taxes on income	25.06	6.25
Payment to auditors		
- As Auditor	1.00	1.00
- For Taxation Matters	0.50	0.50
- For Management Services	0.25	0.25
Professional Charges	5.00	34.54
Programming & Promo Expenses	517.86	85.61
License & Other Operational Fees	228.49	259.32
Security Services	20.62	27.57
Office Expense	21.46	17.29
Conveyance	8.71	18.20
Miscellaneous Expenses	99.85	146.53
<b>Total</b>	<b>1,097.31</b>	<b>789.38</b>

### 3. PROPERTY , PLANT AND EQUIPMENT

( ₹ in Lakhs)

Description of Assets	Plant & Equipment	Computers & Peripherals	Furnitures & Fixtures	Office Equipments	Total
<b>Gross Block</b>					
Balance as at 1st April, 2021	1,438.04	346.59	35.49	864.79	2,684.91
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>1,438.04</b>	<b>346.59</b>	<b>35.49</b>	<b>864.79</b>	<b>2,684.91</b>
Additions	-	1.51	8.43	4.89	14.83
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>1,438.04</b>	<b>348.10</b>	<b>43.92</b>	<b>869.68</b>	<b>2,699.74</b>
<b>Accumulated Depreciation</b>					
Balance as at 1st April, 2021	1,298.88	344.90	35.37	841.67	2,520.82
Additions	30.75	0.67	0.12	10.42	41.96
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>1,329.63</b>	<b>345.57</b>	<b>35.49</b>	<b>852.09</b>	<b>2,562.78</b>
Additions	23.78	0.53	1.57	4.70	30.58
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>1,353.41</b>	<b>346.10</b>	<b>37.06</b>	<b>856.79</b>	<b>2,593.36</b>
<b>Net Block</b>					
Balance as at 31st March, 2022	108.41	1.02	-	12.70	122.13
Balance as at 31st March, 2023	84.63	2.00	6.86	12.89	106.38

### 4. INTANGIBLE ASSETS

( ₹ in Lakhs)

Description of Assets	Radio Licences	
	Fees	Total
<b>Gross Block</b>		
Balance as at 1st April, 2021	1,094.54	1,094.54
Additions	-	-
Disposal	-	-
<b>Balance as at 31st March, 2022</b>	<b>1,094.54</b>	<b>1,094.54</b>
Additions	-	-
Disposal	-	-
<b>Balance as at 31st March, 2023</b>	<b>1,094.54</b>	<b>1,094.54</b>
<b>Accumulated Depreciation</b>		
Balance as at 1st April, 2021	438.10	438.10
Additions	72.92	72.92
Disposal	-	-

<b>Balance as at 31st March, 2022</b>	<b>511.01</b>	<b>511.01</b>
Additions	72.92	72.92
Disposal	-	-
<b>Balance as at 31st March, 2023</b>	<b>583.93</b>	<b>583.93</b>
<b>Net Block</b>		
Balance as at 31st March, 2022	583.53	583.53
Balance as at 31st March, 2023	510.61	510.61

## Notes to Financial Statement for the year ended 31st March, 2023

### 1. COMPANY 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 in India.

### 2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation and Measurement

##### (a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at

the balance sheet date, the gain or loss arising from such translations are recognised in the standalone statement of profit and loss.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

The standalone financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 29<sup>th</sup> May, 2023.

#### **(b) Basis of Measurement**

These financial statements are prepared under the historical cost convention unless otherwise indicated.

The accounting policies adopted are the same as those which were applied for the previous financial year.

### **2.2 Key Accounting Estimates and Judgements**

The preparation of the standalone financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

#### **Impairment of Investments in Subsidiaries**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

#### **Useful lives of Property, Plant and Equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Valuation of Deferred Tax Assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

#### **Fair Value Measurement of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **Provisions and Contingent Liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

## 2.3 New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### **New and amended standards issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment

## 2.4 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements.

### (a) Revenue Recognition

#### **Ind AS 115 'Revenue from Contracts with Customers'**

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for. The Company disaggregates revenue from contracts with customers by geography and nature of services.

- Revenue generated from the commissioned television programs and Internet series produced for broadcasters is recognized over the period of time over the contract period.
- Rent income is recognised on accrual basis as per the agreed terms on straight line basis.



- Sale of Rights are recognised in accordance with the terms of agreements with customers.
- Revenue from other services is recognised as and when such services are completed / performed.
- Income from infrastructure support, building rent and royalty income is recognised based on the terms of the underlying agreement.
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.
- Revenue from subsidiaries is recognised based on transaction price which is at arm's length.
- Dividend income on investments is recognised when the right to receive dividend is established.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

## **(b) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company as a Lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

#### **i) Right-of-use Assets**

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

#### **ii) Lease Liabilities**

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **Company as a Lessor**

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **(c) Property, Plant and Equipment**

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any. The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is provided for property, plant and equipment on pro-rata basis over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the standalone statement of profit and loss.

The Management believes that the useful lives best represents the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary.

### **Capital work-in-progress:**

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress. The capital work- in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

#### **(d) Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### **Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **Financial Assets at Amortised Cost**

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

#### **Financial Assets at Fair Value through other Comprehensive Income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at Fair Value through Profit or Loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### **Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **Derecognition**

##### **Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

##### **Financial Liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is

recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**Impairment of Financial Assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(e) Investments in Subsidiaries, Associates and Joint Ventures:**

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**(f) Inventories:**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**(g) Cash and Cash Equivalents:**

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(h) Provisions and Contingent Liabilities:**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**(i) Expenditure:**

Expenses are accounted on accrual basis.

**(j) Employee benefits**

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences, pension and employee state insurance scheme.

### **Short-Term Employee Benefits**

Short-term employee benefits including salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.

### **Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### **Defined benefit plans**

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

### **(k) Income Taxes:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### **Uncertain Tax Position**

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

### **(l) Foreign Currencies:**

#### **1. Functional and Presentation Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

#### **2. Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### **3. Exchange Differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### **(m) Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(n) Borrowings and Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

**(o) Dividend Distributions**

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(p) Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1-** Quoted(unadjusted) market prices in active markets for identical assets or liabilities

**Level 2-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole ) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 25. EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS - 19 “Employee Benefits” (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below:

### Defined Contribution Plans

The Company has certain defined contribution plans. Contributions are made to provident fund, and employee’s state insurance scheme for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

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

Employer’s Contribution to Provident Fund: Nil (Previous Year ₹ 0.88 Lakhs )

Employer’s Contribution to ESI: Nil (Previous Year ₹ 0.20 Lakhs )

### Defined Benefit Plans:

The Company offers gratuity to its eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The gratuity fund is managed by third party fund.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

### a. Change in present value of obligation

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Present value of obligation as at the beginning of the period	0.14	7.98	0.03	0.80
Current Service Cost	0.07	0.07	0.01	0.01
Interest Cost	0.01	0.54	--	0.05
Expected Return on Plan Assets	--	--	--	--
Benefits paid	--	(9.25)	--	--
Actuarial (gain)/loss	0.01	0.80	(0.01)	(0.84)
Past Service Cost	--	--	--	--
Curtailment and settlement Cost/(credit)	--	--	--	--
<b>Present value of obligation as at the end of the period</b>	<b>0.21</b>	<b>0.14</b>	<b>0.03</b>	<b>0.03</b>



**b. Bifurcation of Actuarial Gain/Loss on Obligation****(₹ in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	--	--	--
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.01)	(0.01)	--	--
Actuarial (Gain)/Loss on arising from Experience Adjustment	--	0.81	(0.01)	(0.84)

**c. Balance Sheet and related analysis****(₹ in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Present Value of the obligation at end	0.21	0.14	0.03	0.03
Fair value of plan assets	--	--	--	--
Unfunded Liability/provision in Balance Sheet	(0.21)	(0.14)	(0.03)	(0.03)

**d. The amounts recognized in the income statement****(₹ in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Total Service Cost	0.07	0.07	0.01	0.01
Net Interest Cost	0.01	0.54	--	0.05
Expense recognized in the Income Statement	0.08	0.61	--	(0.78)

**e. Other Comprehensive Income (OCI)****(₹ in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Net cumulative unrecognized actuarial gain/(loss) opening	--	--		
Actuarial gain / (loss) for the year on PBO	0.01	(0.80)	(0.01)	(0.84)
Actuarial gain / (loss) for the year on Asset	--	--	--	--
Unrecognized actuarial gain/(loss) for the year	0.01	(0.80)	(0.01)	(0.84)

**f. Change in Net Defined Benefit Obligation****(₹ in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Net defined benefit liability at the start of the period	0.14	7.98	0.03	(0.80)
Acquisition adjustment	--	--	--	--
Total Service Cost	0.07	0.07	0.01	0.01
Net Interest cost (Income)	0.01	0.54	--	0.05
Re-measurements	(0.01)	0.80	(0.01)	(0.84)
Contribution paid to the Fund	--	--	--	--
Benefit paid directly by the enterprise	--	(9.25)	--	--
Net defined benefit liability at the end of the period	0.21	0.14	0.03	0.03

**g. Bifurcation of PBO at the end of year in current and non current** (₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Current liability (Amount due within one year)	--	--	--	--
Non-Current liability (Amount due over one year)	0.21	0.14	0.02	0.02
<b>Total PBO at the end of year</b>	<b>0.21</b>	<b>0.14</b>	<b>0.03</b>	<b>0.03</b>

**h. Expected contribution for the next Annual reporting period** (₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Service Cost	0.08	0.08	0.01	0.01
Net Interest Cost	0.02	0.01	--	--
<b>Expected Expense for the next annual reporting period</b>	<b>0.09</b>	<b>0.09</b>	<b>0.01</b>	<b>0.01</b>

**e. Actuarial Assumptions**

Company attention was drawn to provisions of accounting standard that actuarial assumptions are an entity's best estimates of variables that will determine the ultimate cost of providing post employment benefits and shall be unbiased & mutually compatible.

**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:

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2023	March31, 2022
Discount Rate (%)	7.38	7.22	7.38	7.22
Expected Rate of increase in Compensation Levels (%)	5.50	5.50	5.50	5.50
Expected Rate of Return on Plan Assets	--	--	--	--
Expected Average remaining working lives of employees (years)	24.28	25.28	24.28	25.28

**ii) Demographic Assumption**

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard

Particulars	Gratuity		Leave Encashment	
	March31, 2023	March31, 2022	March31, 2022	March31, 2021
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM(2012-14)	IALM(2012-14)	IALM(2006-08)	IALM (2006-08)
iii) Ages				
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

**iii) Sensitivity Analysis of the defined benefit obligation.****(₹ in Lakhs)**

<b>Particulars</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
<b>a) Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	<b>0.21</b>	<b>0.03</b>
Impact due to increase of 0.50%	(0.02)	--
Impact due to decrease of 0.50 %	0.02	--
<b>b) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	<b>0.21</b>	<b>0.03</b>
Impact due to increase of 0.50%	0.02	--
Impact due to decrease of 0.50 %	(0.02)	--

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable .

**Notes:**

- a) The current service cost recognised as an expense is included in Note 21 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- c) The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 21 'Employee benefits expense'.

## 26. RELATED PARTY TRANSACTIONS:

### Name of related parties and description of relationship

Name	Relationship
B.A.G. Films and Media Limited	Holding Company
Anuradha Prasad Shukla	Key Managerial Personnel
ARVR Communications Pvt. Ltd.	Enterprises over which KMP are able to exercise significant influence
News24 Broadcast India Limited	Enterprises over which KMP are able to exercise significant influence
B.A.G Live Entertainment Limited	Enterprises over which KMP are able to exercise significant influence
E24 Glamour Limited	Enterprises over which KMP are able to exercise significant influence
Skyline Telemedia Service Limited	Enterprises over which KMP are able to exercise significant influence

### Details of Transactions during the year and balances at the year end

Particulars	Holding Company		Key Managerial Personnel (KMP)	
	For Year Ended March 31		For Year Ended March 31	
	2023	2022	2023	2022
Office Rent	21.60	21.60	2.40	2.40
Expenses Reimbursed	60.71	55.31	--	--

### Note

1. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
2. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**27. EARNING PER SHARE****(₹ in Lakhs)**

Particulars	For the year ended	
	2022-23	2021-22
Profit for the year	(439.08)	(389.65)
Weighted Average number of equity shares used as denominator for calculating Basic EPS	29,014,100	29,014,100
Basic Earnings per share	(1.51)	(1.34)
Weighted Average number of equity shares used as denominator for calculating Diluted EPS	29,920,668	29,920,668
Diluted Earnings per share	(1.51)	(1.34)
Face Value per equity share	10	10

**28 FINANCIAL INSTRUMENTS****a) Fair Value Measurements**

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

**b) Categories of financial instruments and fair value there of****(₹ in Lakhs)**

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>a) Financial assets</b>				
<b>i) Measured at amortised cost</b>				
Trade receivables	634.46	634.46	516.34	516.34
Cash and cash equivalents	178.30	178.30	66.41	66.41
Other financial assets	573.68	573.68	755.16	755.16
<b>b) Financial liabilities</b>				
<b>i) Measured at amortised cost</b>				
Trade payables	1,109.80	1,109.80	855.23	855.23
Other financial liabilities	1475.51	1475.51	2353.83	2353.83

\* Includes current maturities of long term borrowings.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The carrying value of current trade receivables, cash and cash equivalents, current loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

**c) Financial Risk Management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

**i. Credit risk management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 90 days. The Company's exposure to customers is diversified and no customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ in Lakhs)

	March 31,2022	March 31,2022
Trade Receivable (Unsecured)		
- Over six months	185.41	183.95
-Less than six months	449.05	332.40
<b>Total</b>	<b>634.46</b>	<b>516.35</b>

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies. The credit risk on optionally fully convertible debentures and deposit is limited because the counter parties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

## ii. Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below analyze the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in Lakhs)

	Due in 1st year	Due in 2 to 5th year	Due after 5 Years	Total
<b>Contractual maturities of financial liabilities</b>				
<b>March 31, 2023</b>				
Trade payables and other financial liabilities	1,109.80	--	--	1,109.80
Borrowings	568.94	--	906.57	1,475.51

	Due in 1st year	Due in 2 to 5th year	Due after 5 Years	Total
<b>Contractual maturities of financial liabilities</b>				
<b>March 31, 2022</b>				
Trade payables and other financial liabilities	855.23	--	--	855.23
Borrowings	1,447.26	--	906.57	2,353.83

## iii. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a. Foreign currency risk exposure:

The Company does not have any exposure to foreign currency risk as at March 31, 2023 (Previous year Nil).

### b. Interest rate risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

### c. Other price risk

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

### d. Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

**29. Additional Regulatory Information - Ration**

(₹ in Lakhs)

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2022	Variance
<b>Current Ratio (in times)</b>	Total current assets	Total current liabilities	0.55	0.63	-12.02%
<b>Debt-Equity Ratio (in times)</b>	Total debt consist of Lease liabilities	Total equity	0.31	0.31	--
<b>Return on Equity Ratio (in%)</b>	Net Profit for the year	Average total equity	-0.15	-0.13	-13.77%
<b>Trade Receivables turnover ratio (in times)</b>	Revenue from operations	Average trade receivables	1.36	1.48	-8.01%
<b>Trade payables turnover ratio (in times)</b>	Cost of materials consumed + Changes in inventories of stock-in-trade + Other expenses	Average trade payable	1.12	1.24	-9.14%
<b>Net profit ratio (in %)</b>	Net Profit for the year	Revenue from operations	-56.32	-61.09	7.81%

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

31. Note No.1 to 30 form integral part of the balance sheet and statement of profit and loss.

**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration Number: 006792C

**For and on the behalf of Boars of Directors**

**CA J. Mukherjee**  
Partner  
Membership Number. 074602

**Anuradha Prasad Shukla**  
Managing Director  
DIN: 00010716

**Sudhir Shukla**  
Director  
DIN: 01567595

Place: Noida  
Date: May 29, 2023

**Vinay Kumar Srivastava**  
Chief Financial Officer

**Lokesh Gautam**  
Company Secretary



**Corporate Office: FC-23, Film City, Sector-16A, Noida-201301, U.P.**