RADIO DHAMAL 106.4 FM

14th ANNUAL REPORT 2018-19

SKYLINE RADIO NETWORK LIMITED

BOARD'S REPORT

To,
The Members of,
Skyline Radio Network Limited

The Directors have pleasure in presenting the 14th Annual Report on business and operations of the Company together with Audited Financial Statements for the financial year ended on March 31, 2019.

FINANCIAL RESULTS

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

(Rupees in Lakhs)

Particulars	2018-19	2017-18
Total Income	1232.18	1061.06
Profit before Depreciation & Financial Charges	256.12	208.45
Financial Charges	35.93	14.95
Cash Profit	220.19	193.50
Depreciation	163.82	172.11
Profit before Tax	56.37	21.39
Provision for Tax	35.00	29.53
Profit/Loss after Tax	21.37	(8.14)
Proposed Dividend	Nil	Nil

FINANCIAL PERFORMANCE

During the period under review, revenue from operations of the Company has increased by 15.26% from Rs. 1055.28 Lakhs to Rs. 1216.37 Lakhs. During the year, net profit after tax of the Company was increased from Rs. 8.14 Lakhs to Rs. 25.71 Lakhs.

DIVIDEND

The Directors are of the view that resources of the Company need to be conserved for its future growth plans and hence do not recommend any dividend for the financial year 2018-19.

GENERAL RESERVE

The Company has not transferred any amount to General Reserve for the financial year ended March 31, 2019.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION 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.

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.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Your Company operates its FM Radio station on frequency 106.4 in the name of **Dhamaal24** "Har Khushi hai Jahan", in 10 cities viz. Hissar, Karnal, Patiala, Ranchi, Muzaffarpur, Dhule, Jalgaon, Ahemednagar, Simla and Jabalpur.

Your Company revamped its radio station '**Dhamaal24**' with revitalized, novel and popular shows like Dil Ke Mareez Hazir Ho, Zindagi Live, Zara Hat Ke Zara Bachke, Omkar, Yad Kiya Dil Ne, Gee Se Gee, Good Morning, AGOG, Bollywood Reporter, Bollywood Flash Back and Back to Back, keeping the regional flavor in each of its programmes. Various programming is purposely aligned for maximum listenership. Our content entices regional listeners.

Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming. Various programming is purposely aligned for maximum listenership. Our content entices regional listeners.

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.

DIRECTORS

There are five Directors on the Board of Directors of the Company viz. Ms. Anuradha Prasad Shukla (DIN- 00010716), Dr. Anuradha Mishra (DIN- 01725234), Mr. Sudhir Shukla (DIN: 01567595), Ms. Urmila Gupta (DIN:00637110) and Mr. Anil Kapoor (DIN:05113976).

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 financial year under review, Ms. Anuradha Prasad Shukla was appointed as Managing Director of the Company for a period of five years with effect from 26.02.2019 and Dr. Anuradha Mishra was re-appointed as an Independent Director for second term with effect from 01.04.2019. Mr. Sarad Kumar Dahiya (DIN- 02675515) resigned from the Board with effect from 06.02.2019.

Appointments/ Resignations of the Key Managerial Personnel

During the financial year under review, Ms. Anuradha Prasad Shukla was appointed as Managing Director of the Company for a period of five years with effect from 26.02.2019. Ms. Anuradha Prasad Shukla, Managing Director, Mr. Vinay Kumar Srivastava, Chief Financial Officer and Mr. Ajay Mishra, Secretary of the Company are the Key Managerial Personnel as per the provisions of the Act.

Directors Retiring by Rotation

In accordance with the provisions of the Act and in terms of Articles of Association of the Company, Mr. Anil Kapoor (DIN:05113976) retires by rotation and is eligible for re-appointment.

Meetings

During the year seven Board Meetings dated 28.05.2018, 13.08.2018, 27.08.2018, 12.11.2018, 14.02.2019 26.02.2019 and 30.03.2019 were convened. The intervening gap between the Meetings was within the time limit prescribed under the Act read with the rules made thereunder.

Composition of Committees of the Board of Directors

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

At present there are following two Committees

1. Audit Committee

2. Nomination and Remuneration Committee

In addition, the Board also constitutes specific committees, from time to time, depending on the business exigencies, and simultaneously dissolves such Committees, that are no longer required. The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed before the Board.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the 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. Mr. Ajay Mishra, Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the meeting of the Board.

(ii) Composition of the Committee: -

Presently, the Audit Committee of the Company comprises of Non-Executive Directors. Dr. Anuradha Mishra, Chairperson of the Committee is a Non-Executive Independent Director. Other members are Mr. 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.

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 of the Committee

Committee comprises of Executive and Non-executive Directors. The Chairman of the Committee is Mr. Anil Kapoor, Non-Executive Director and other members of the Committee are Dr. Anuradha Mishra, Non-Executive Independent Director and Ms. Urmila Gupta, Non-Executive Independent Director. Mr. Ajay Mishra, Company Secretary acts as the Secretary of the Committee.

(iii) Nomination and Remuneration Policy

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

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

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, 2019, 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, 2019 and of profit 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.

EXTRACT OF ANNUAL RETURN

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

INTERNAL FINANCIAL CONTROLS

The 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.

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.

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 12th 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. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

Qualification in Auditors reports

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

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

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

No material events have occurred between the end of Financial Year 2018-19 and the date of this Report which have effect over the financial position of the Company.

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

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134 (3) (m) of the 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.

DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMENAT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has an internal complaints committee in place, which entertains the complaints made by any aggrieved women.

During the financial year under review, there have been no cases reported in this regard.

PERSONNEL

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

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.

SIGNIFICANT AND MATERIAL ORDERS

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

SHARES CAPITAL

The Company has one class of shares-equity share of par 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, 2019 which is same as at March 31, 2018.

CORPORATE SOCIAL RESPONSIBILITY POLICY

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

ACKNOWLEDGEMENTS

Your Directors 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 : May 29, 2019

Annexure-I

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

[**Skyline Radio Network Limited**]

INTRODUCTION

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

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

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

COMPANY PHILOSHPHY

Skyline Radio is an equal opportunities 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.

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

GUIDING PRINCIPLES

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

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) remuneration to directors, key managerial personnel and senior management reflecting short and long term performance objectives appropriate to the working of the company and its goals;

d) facilitating effective shareholders' participation in key Corporate Governance decisions such as the nomination and election of board members;

e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;

f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

NOMINATION OF THE DIRECTORS

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

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

General Criteria

- The background and qualifications of the Directors, breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

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

Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of 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 in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013.

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

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

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

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

Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

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

Independent Directors shall not be entitled to any stock options.

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

Remuneration to Directors in other Capacity

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

(a) the services rendered are of a professional nature; and

(b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

EVALUATION OF THE DIRECTORS

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

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

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

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

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

(ii) the Whole-time Director;

(iii) the Chief Financial Officer;

(iv) the Company Secretary; and

(v) such other officer as may be prescribed.

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

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- “Senior Management” of the Company 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 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. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:	**U92132DL2005PLC142230**
Registration Date:	**31.10.2005**
Name of the Company:	**SKYLINE RADIO NETWORK LIMITED**
Category / Sub-Category of the Company:	**Public Company/Limited by Shares/India Non Government Company**
Address of the Registered office and contact details:	**A-60, Basement, Near Malviya Nagar Market, Malviya Nagar, New Delhi-110017, Tel 91 120 460 2424, Fax: 91 120 3911 401**
Whether listed company Yes / No:	**No**
Name, Address and Contact details of Registrar and Transfer Agent, if any:	**Alankit Assignments Limited, 3E/7, Alankit Heights, Jhandewala Ext., New Delhi- 110055. Phn: 011-42541234 , Fax: 011-23552001**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	B.A.G. Films and Media Limited Address: 352, Aggarwal Plaza, Plot No. 8, Kondli, New Delhi-110 096	L74899DL1993PLC051841	Holding Company	71.05	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	7317150	18496950	25814100	88.97	7317150	18496950	25814100	88.97	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A)(1)	**7317150**	**18496950**	**25814100**	**88.97**	**7317150**	**18496950**	**25814100**	**88.97**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A) =(A)(1)+(A)(2)	**7317150**	**18496950**	**25814100**	**88.97**	**7317150**	**18496950**	**25814100**	**88.97**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	2150000	700000	2850000	9.82	2150000	700000	2850000	9.82	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	12500	0	12500	0.05	12500	0	12500	0.05	0.00
i) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	337500	0	337500	1.16	337500	0	337500	1.16	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	**2500000**	**700000**	**3200000**	**11.03**	**2500000**	**700000**	**3200000**	**11.03**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2500000**	**700000**	**3200000**	**11.03**	**2500000**	**700000**	**3200000**	**11.03**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**9817150**	**19196950**	**29014100**	**100.00**	**9817150**	**19196950**	**29014100**	**100.00**	**0.00**

(ii) Shareholding of Promoters

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

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

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	Santosh Industries Limited	1000000	3.45	1000000	3.45
2	Odyssey Corporation Limited	600000	2.07	600000	2.07
3	Bijco Holding Limited	500000	1.72	500000	1.72
4	Ashika Venture Capital Pvt. Ltd	500000	1.72	500000	1.72
5	MKJ Enterprises Limited	100000	0.34	100000	0.34
6	Vab Ventures Limited	100000	0.34	100000	0.34
7	Guiness Securities Limited	50000	0.17	50000	0.17
8	Manoj Kumar Bhagat	50000	0.17	50000	0.17
9	Piyush Kumar Bhagat	50000	0.17	50000	0.17
10	Shanti Daga	50000	0.17	50000	0.17

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP*	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **"**Refer Notes to Financial Statement' form part of this Annual Report**.**

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager*
		Ms. Anuradha Prasad Shukla, Managing Director
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission - as % of profit - others, specify...	0
5.	Others, please specify	0
	Total (A)	0
	Ceiling as per the Act	N.A.

B. Remuneration to other Directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors	Ms. Urmila Gupta	Dr. Anuradha Mishra	
	• Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0
	Total (1)	0	0	0
	4. Other Non-Executive Directors*	Mr. Sudhir Shukla	Mr. Anil Kapoor	
	• Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	N.A.		

*. The Company is not paying any remuneration to Directors

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of the KMP other than MD/WTD/ Manager		Total Amount
		Vinay Kumar Srivastava, Chief Financial Officer*	Ajay Mishra, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	9,26,400	9,26,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please Specify	0	0	0
	Total	**0**	**9,26,400**	**9,26,400**

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

Annexure III

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2019 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 Rs.)
1.	B.A.G. Films and Media Limited	Holding Company	Programming/ Leasing	Continuing	As per Related Party Transaction Policy	24,861,343
2.	B.A.G. Live Entertainment Limited	Enterprises over which Key Managerial Persons or their relative have significant influence	Programming	Continuing	As per Related Party Transaction Policy	6,018,750
3.	Anuradha Prasad Shukla	Director	Leasing	Continuing	As per Agreement	240,000

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

Anuradha Prasad Shukla
Chairperson
DIN: 00010716

Place : Noida
Date : May 29, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of Skyline Radio Network Limited,

Report on the Audit of the 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 2019, 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Sr. No.	Key Audit Matter
1	Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"(new revenue accounting standard) The financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.
Auditor's Response	
	Principal Audit Procedures Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include – • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and • Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

2	Evaluation of uncertain tax positions The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.
Auditor's Response	
	Our audit procedures include the following substantive procedures: • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts - ➢ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and Assessed management's estimate of the possible outcome of the disputed cases.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Responsibility for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 Statement of Cash Flows 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 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", which is based on the Auditors' Reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company does not have any pending litigations which would impact its financial position;

2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2019.

For Kumar Khare & Co.
Chartered Accountants
Firm Registration No. 006740C

Alok Khare
Partner
Membership No.075236

Place : Noida
Date : May 29, 2019

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)

Report on Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (the Act) of Skyline Radio Network Limited (the Company)

i. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) The Company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
   (c) The Company does not have any immovable properties taken on lease that are disclosed as fixed asset in the financial statements.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and examined by us, no material discrepancies were noticed on such verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments guarantees and security, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provision of the Act and the Rules framed thereunder.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section (1) of the section 148 of the Act for any of the activities of the company and accordingly paragraph 3(vi) of the order is not applicable.

vii. According to the information and explanations given to us in respect of statutory dues:
   a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regular in depositing undisputed dues with the appropriate authorities.

      According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value added tax, Goods and Services Tax, Service tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
   b) There are no dues of income tax, service tax, goods and services tax, customs duty, excise duty and cess on account of any dispute, which have not been deposited.

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.

ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, the term loans taken by the Company have been applied for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause (xi) of the Order are not applicable to the Company and hence not commented upon.

xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Kumar Khare & Co.
Chartered Accountants
Firm Registration No. 006740C

Alok Khare
Partner
Membership No.075236

Place : Noida
Date : May 29, 2019

Annexure B

Annexure B to the Independent Auditor's report on the financial statements of Skyline Radio Network Limited for the period ended 31 March 2019

(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)

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Skyline Radio Network Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal 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 Companies Act, 2013.

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 Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kumar Khare & Co.
Chartered Accountants
Firm Registration No. 006740C

Alok Khare
Partner
Membership No.075236

Place : Noida
Date : May 29, 2019

Skyline Radio Network Limited
BALANCE SHEET As at March 31, 2019

(Amount in ₹)

Particulars	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	26,241,923	32,464,227
Capital work-in-progress		3,312,500	3,312,500
Intangible assets	6	80,247,550	87,539,150
		109,801,973	**123,315,877**
Current assets			
Inventories	7	18,731,170	18,985,530
Financial assets			
Trade receivables	8	69,105,494	71,344,099
Cash and cash equivalents	9	3,757,749	10,711,588
Other financial assets	10	103,188,684	4,221,481
Other current assets	11	32,290,507	41,728,988
		227,073,604	**146,991,686**
Total		**336,875,577**	**270,307,563**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	290,141,000	290,141,000
Other equity	13	(256,575,270)	(258,712,029)
		33,565,730	**31,428,971**
Non-current liabilities			
Financial liabilities			
Other financial liabilties	14	159,455,200	159,455,200
Provisions	15	835,369	821,312
Deferred tax liabilities (net)	16	17,878,901	14,378,639
		178,169,470	**174,655,151**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	17	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	42,760,172	51,858,843
Other financial liabilities	18	53,122,035	-
Other current liabilities	19	29,258,170	12,364,598
		125,140,377	**64,223,437**
Total		**336,875,577**	**270,307,563**

The above Balance Sheet should be read in conjunction with the accompanying notes
This is the Balance Sheet referred to in our report of even date

For and on behalf of Board of Directors

For Kumar Khare & Co.
Chartered Accountants
Firm Registration Number: 006740C

Anuradha Prasad Shukla
Managing Director
DIN: 00010716

Sudhir Shukla
Director
DIN: 01567595

Alok Khare
Partner
Membership Number: 075236

Vinay Kumar Srivastava
Chief Finacial Officer

Ajay Mishra
Company Secretary

Place : Noida
Date : May 29, 2019

STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2019

(Amount in ₹)

Particulars	Note No.	Year ended March 31,2019	Year ended March 31,2018
Sales	20	121,636,636	105,528,463
Other income	21	1,580,938	577,086
Total Income		**123,217,574**	**106,105,549**
Expenses			
Changes in inventories of finished goods, work-in-progress	22	254,360	551,250
Employee benefits expense	23	18,158,983	19,869,292
Finance costs	24	3,593,208	1,495,218
Depreciation and amortisation expense	25	16,382,037	17,210,936
Other expenses	26	79,177,908	64,566,617
Total Expenses		**117,566,496**	**103,693,313**
Profit before tax		**5,651,078**	**2,412,236**
Tax expense			
Deferred tax		3,500,262	2,953,151
Total tax expense		**3,500,262**	**2,953,151**
Profit for the year		**2,150,816**	**(540,915)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Acturial gains/losses of defined benefit plans		(14,057)	(273,726)
Other comprehensive income for the year (net of tax) (B)		**(14,057)**	**(273,726)**
Total comprehensive income for the year		**2,136,759**	**(814,641)**
Nominal value per share Rs.10/- each			
Earnings per equity share			
Basic earnings from operations attributable to share holders		0.06	(0.03)
Diluted earnings from operations attributable to share holders		0.07	(0.03)

The above statement of profit and loss should be read in conjunction with the accompanying notes
This is the statement of profit and loss referred to in our report of even date

For and on behalf of Board of Directors

For Kumar Khare & Co.
Chartered Accountants
Firm Registration Number: 006740C

Anuradha Prasad Shukla
Managing Director
DIN: 00010716

Sudhir Shukla
Director
DIN: 01567595

Alok Khare
Partner
Membership Number: 075236

Vinay Kumar Srivastava
Chief Finacial Officer

Ajay Mishra
Company Secretary

Place : Noida
Date : May 29, 2019

STATEMENT OF CHANGES IN EQUITY
For the year ended March 31, 2019

A. Equity Share Capital (Amount in ₹)

Particulars	Note No.	Balance
As at 1st April, 2017		**290,141,000**
Changes in equity share capital during the year		-
As at 31st March, 2018		**290,141,000**
Changes in equity share capital during the year		-
As at 31st March, 2019	**12**	**290,141,000**

		Reserves and surplus		Items of Other Comprehensive Income (OCI)	
Particulars	**Note No.**	**Securities Premium Reserves**	**Retained earnings**	**Remeasurements of net defined benefit plans "**	**Total other equity**
Balance as at 1 April 2017	13	136,711,500	(394,553,300)	(55,588)	(257,897,388)
Profit for the year			(540,915)		(540,913)
Other comprehensive income (net of tax)		-		(273,726)	(273,726)
Total comprehensive income for the year ended 31 March 2018		**-**	**(540,915)**	**(273,726)**	**(814,641)**
Transactions with owners in their capacity as owners					
Transfer from Retained earnings to General reserve		-	-		-
Balance as at 31 March 2018		**136,711,500**	**(395,094,215)**	**(329,314)**	**(258,712,029)**
Profit for the year		-	2,150,816	-	2,150,816
Other comprehensive income (net of tax)		-	-	14,057	14,057
Total comprehensive income for the year ended 31 March 2019		**-**	**2,150,816**	**14,057**	**2,164,873**
Transactions with owners in their capacity as owners		-	-	-	-
Transfer from Retained earnings to General reserve		-	-	-	-
Balance as at 31 March 2019	13	**136,711,500**	**(392,943,399)**	**(315,257)**	**(256,547,156)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes
This is the Statement of Changes in Equity referred to in our report of even date

For and on behalf of Board of Directors

For Kumar Khare & Co.
Chartered Accountants
Firm Registration Number: 006740C

Anuradha Prasad Shukla
Managing Director
DIN: 00010716

Sudhir Shukla
Director
DIN: 01567595

Alok Khare
Partner
Membership Number: 075236

Vinay Kumar Srivastava
Chief Finacial Officer

Ajay Mishra
Company Secretary

Place : Noida
Date : May 29, 2019

Notes forming part of Financial Statements
for the year ended March 31, 2019

1. CORPORATE INFORMATION

Skyline Radio Network Limited was incorporated on 31st October 2005 with main objective to carry on the business of Radio Broadcasting through FM radio channels. Presently the company is running FM radio channel at frequency of 106.4 MHz under the brand name "Dhamaal24" "Har Khushi Hai Jahan" at 10 locations viz, Hissar, Karnal, Patiala, Shimla, Ranchi, Muzaffarpur, Jabalpur, Ahmednagar, Dhule and Jalgaon.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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 Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

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. The policy has been explained under.

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. The policy has been further explained.

(d) 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.

- Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.
- Revenue from other services is recognised as and when such services are completed / performed.
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.

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.

Revenue excludes any taxes and duties collected on behalf of the government.

(e) Leases

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

The Company as a lessee:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

The Company as a lessor:

Rental income from operating leases is generally recognised on a straightline basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(f) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses and other expenses. Other expenses is an aggregation of costs which are individually not material.

(g) Foreign currency

i. The functional currency of the Company is Indian Rupees (₹) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

ii. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Exchange difference arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statement are recognized as income or as expenses in the period in which they arise.

iii. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(h) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. 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.

ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(i) 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.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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 to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through 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 on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are 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 statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment

i. **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. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months 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.

ii. **Non-financial assets**

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Fair value measurement

The Company measures financial instruments such as debts and certain investments, 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 orderly 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:

- In the principal market for the asset or liability or

- 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 a 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.

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 minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the 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.

(j) 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed 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 financial statements.

(k) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

(l) Property, Plant and Equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(j) Employee benefits

i. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii. Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

iii. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv. Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

(k) Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(l) Inventories

Inventories consists of (a) Raw materials, (b) Work-in-progress, (c) Finished goods. Inventories are carried at lower of cost and net realisable value.

i. Media Content:

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed.

ii. Raw Stock:

Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

(m) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

(n) Segment Information

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

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

3. KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

Estimated useful life of Tangible Assets:

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

Estimation of Current Tax Expense and Income Tax Payable / Receivable:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Estimation of Defined Benefit Obligation:

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Estimation of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Estimation of Fair value measurement of financial instruments

When the fair values of financials 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, which involve various judgements and assumptions.

Recognition of Deferred Tax Assets:

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Impairment of Trade Receivables:

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness 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. The company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Fair valuation:

Some of the Company's assets and liability are measured at fair value for financial reporting purpose. In estimating the fair value of an asset and liability Company uses market observable data to the extent available. When Level 1 inputs are not available, the company engages third party qualified valuer to establish the appropriate techniques and input to valuation model.

Impairment assessment of Investments carried at cost:

The Company conducts impairment review of the investments in subsidiaries whenever events or changes in circumstances indicate their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and suitable discount rate in order to calculate the present value.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Company will adopt the standard for the financial year beginning 1 April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

5. PROPERTY , PLANT AND EQUIPMENT

(Amount in ₹)

Description of Assets	Plant & Equipment	Computers & Peripherals	Furnitures & Fixtures	Office Equipments	Total
Gross Block					
Balance as at 1st April, 2017	**143,803,676**	**34,028,770**	**3,537,177**	**79,337,637**	**260,707,264**
Additions	-	-	-	406,381	406,381
Disposal	-	-	-	-	-
Balance as at 31st March, 2018	**143,803,676**	**34,028,770**	**3,537,177**	**79,744,018**	**261,113,645**
Additions	-	630,000	12,246	2,225,886	2,868,132
Disposal	-	-	-	-	-
Balance as at 31st March, 2019	**143,803,676**	**34,658,770**	**3,549,423**	**81,969,904**	**263,981,777**
Accumulated Depreciation					
Balance as at 1st April, 2017	**105,118,040**	**32,877,100**	**3,380,742**	**77,374,177**	**218,750,059**
Additions	8,832,837	412,080	72,607	581,834	9,899,359
Disposal	-	-	-	-	-
Balance as at 31st March, 2018	**113,950,877**	**33,289,180**	**3,453,349**	**77,956,011**	**228,649,418**
Additions	6,758,548	910,317	57,104	1,364,467	9,090,436
Disposal	-	-	-	-	-
Balance as at 31st March, 2019	**120,709,425**	**34,199,497**	**3,510,453**	**79,320,478**	**237,739,854**
Net Block					
Balance as at 31st March, 2018	29,852,799	739,590	83,828	1,788,007	32,464,227
Balance as at 31st March, 2019	23,094,251	459,273	38,970	2,649,426	26,241,923

6. INTANGIBLE ASSETS

(Amount in ₹)

Description of Assets	Radio Licences Fees	Total
Gross Block		
Balance as at 1st April, 2017	**109,453,903**	**109,453,903**
Additions	-	-
Disposal	-	-
Balance as at 31st March, 2018	**109,453,903**	**109,453,903**
Additions	-	-
Disposal	-	-
Balance as at 31st March, 2019	**109,453,903**	**109,453,903**
Accumulated Depreciation		
Balance as at 1st April, 2017	14,603,176	14,603,176
Additions	7,311,577	7,311,577
Disposal	-	-
Balance as at 31st March, 2018	**21,914,753**	**21,914,753**
Additions	7,291,600	7,291,600

(Amount in ₹)

Description of Assets	Radio Licences Fees	Total
Disposal	-	-
Balance as at 31st March, 2019	**29,206,353**	**29,206,353**
Net Block		
Balance as at 31st March, 2018	87,539,150	87,539,150
Balance as at 31st March, 2019	80,247,550	80,247,550

7. INVENTORIES

(Amount in ₹)

Inventories consist of the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Finished goods	18,731,170	18,985,530
Total	**18,731,170**	**18,985,530**

Inventories are carried at the lower of cost and net realisable value.

8. TRADE RECEIVABLES (UNSECURED)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good	69,105,494	71,344,099
Considered doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total	**69,105,494**	**71,344,099**

9. CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	6,862	2,367
Balance with bank		
-In Current accounts	3,724,658	10,682,992
- In deposit accounts	26,229	26,229
Total	**3,757,749**	**10,711,588**

10. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and advances to related parties	102,218,252	-
Loans and advances to employees	792,802	886,728
Loan and advance to Other	177,630	3,334,753
Total	**103,188,684**	**4,221,481**

11. OTHER CURRENT ASSETS **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with government authorities	6,230,118	5,547,422
Security Deposits	25,192,957	22,948,974
Prepaid Expenses	867,432	13,232,592
Total	**32,290,507**	**41,728,988**

12. EQUITY SHARE CAPITAL **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
Equity Share Capital		
32,000,000 (31st March, 2018: 32,000,000)equity shares of Rs 10/- each	320,000,000	320,000,000
Issued, subscribed and fully paid share capital		
29,014,100 (31st March, 2018: 29,014,100) equity shares of Rs 10/- each	290,141,000	290,141,000
Total	**290,141,000**	**290,141,000**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	Amount	Number of shares held	Amount
Equity share with Voting Rights				
Equity shares outstanding at the beginning of the year	29,014,100	290,141,000	29,014,100	290,141,000
Add: Issue of Equity Shares during the year	-	-	-	-
Equity shares outstanding at the end of the year	29,014,100	290,141,000	29,014,100	290,141,000

(ii) Details of Equity shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
B.A.G. Films and Media Limited	20,614,100	20,614,100
ARVR Communication Private Limited	5,200,000	5,200,000

(iii) 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.

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

(v) 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.

13. OTHER EQUITY **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Securities Premium Reserves	136,711,500	136,711,500
(b)Retained earnings	(393,286,770)	(395,423,529)
	(256,575,270)	**(258,712,029)**

Securities Premium Reserves **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	136,711,500	136,711,500
Add : Premium on shares issued during the year	-	-
Balance at the end of Year	**136,711,500**	**136,711,500**

Retained Earnings **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	(395,423,529)	(394,608,888)
Add: Profit / (Loss) for the year	2,150,816	(540,915)
Other comprehensive income for the year (net of tax)	(14,057)	(273,726)
Balance at the end of Year	**(393,286,770)**	**(395,423,529)**

a) Securities Premium Account : Security Premium is created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained earning : Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.

14. OTHER FINANCIAL LIABILITIES **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Optionally fully convertible debentures	159,455,200	159,455,200
Total	**159,455,200**	**159,455,200**

15. PROVISIONS **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee benefits		
- Gratuity	730,562	696,865
- Compensated absences	104,807	124,447
Total	**835,369**	**821,312**

16. DEFERRED TAX BALANCES **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (net)	17,878,901	14,378,639
	17,878,901	**14,378,639**

17. TRADE PAYABLE **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables- micro and small enterprises	-	-
Trade payables	42,760,172	51,858,843
Total	**42,760,172**	**51,858,843**

Notes:

The balances above includes INR Nil (Previous Year Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium 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 payments during the year to any Micro or Small Enterprise registered under the 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.

18. OTHER FINANCIAL LIABILITIES **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand	53,122,035	-
Total	**53,122,035**	**-**

19. OTHER CURRENT LIABILITIES **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	196,486	188,351
Other Liabilities	26,527,651	10,021,001
Employee Cost	2,534,033	2,155,246
Total	**29,258,170**	**12,364,598**

20. REVENUE FROM OPERATIONS **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from Operations		
Sale of Services	121,636,636	105,528,463
Total	**121,636,636**	**105,528,463**

21. OTHER INCOME **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Income		
-Bank deposit	1,346,530	489,847
- Other Interest	115,658	-
Other Non-Operating Income		
Miscellaneous income	118,750	53,239
Profit on sale of assets	-	34,000
Total	**1,580,938**	**577,086**

22. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRES

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening inventories		
Finished Goods	18,985,530	19,536,780
Closing inventories		
Finished Goods	(18,731,170)	(18,985,530)
Total	**254,360**	**551,250**

23. EMPLOYEE BENEFITS EXPENSE **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries, incentives, allowances and Bonus	17,429,026	18,970,948
Contribution to Provident and other funds	618,327	712,190
Staff welfare expenses	111,630	186,154
Total	**18,158,983**	**19,869,292**

24. FINANCE COSTS **(Amount in ₹)**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest expense on		
Borrowing	3,514,625	1,290,219
Other borrowing cost		
Bank Charges	78,583	204,999
Total	**3,593,208**	**1,495,218**

25. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation of property, plant and equipment (Refer Note 5)	9,090,436	9,899,359
Amortisation of intangible assets (Refer Note 6)	7,291,600	7,311,577
	16,382,036	**17,210,936**

26. OTHER EXPENSES

Particulars	As at March 31, 2019	As at March 31, 2018
Other Expenses		
Power and fuel	14,756,256	15,780,507
Rent	3,469,940	3,447,476
Repairs to machinery	649,898	592,319
Insurance	29,145	35,308
Rates and taxes , excluding, taxes on income	559,960	1,389,894
Payment to auditors		
- As Auditor	100,000	100,000
- For Taxation Matters	50,000	50,000
- For Management Services	25,000	25,000
- For Reimbursement of Expenses	76,838	15,237
Programming & Promo Expenses	17,762,409	6,899,128
License & Other Operational Fees	22,982,988	20,817,338
Miscellaneous Expenses	18,715,474	15,414,410
Total	**79,177,908**	**64,566,617**

28. EMPLOYEE BENEFITS

Defined Contribution Plans :

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

Employer's Contribution to Provident Fund:	Rs. 429,465 (Previous Year Rs. 450,743)
Employer's Contribution to ESI :	Rs. 152,293 (Previous Year Rs. 216,095)

Defined Benefit Plans:

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

a. **Change in present value of obligation** (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31,2019	**March31,2018**	**March31,2019**	**March31,2018**
Present value of obligation as at the beginning of the period	696,865	5,62,180	124,447	87,753
Current Service Cost	125,579	1,33,284	20,536	30,397
Interest Cost	53,659	42,164	9,582	6,581
Expected Return on Plan Assets	--	--	--	--
Benefits paid	--	(1,02,347)	--	--
Actuarial (gain)/loss	(145,541)	61,584	(49,758)	(284)
Past Service Cost	--	--	--	--
Curtailment and settlement Cost/(credit)	--	--	--	--
Present value of obligation as at the end of the period	730,562	6,96,865	104,807	1,24,447

b. **Expense recognized in the statement of profit and loss account** (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31,2019	**March31,2018**	**March31,2019**	**March31,2018**
Current service cost	125,579	1,33,284	20,536	30,397
Past service cost	--	--	--	--
Interest cost	53,659	42,164	9,582	6,581
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	(145,541)	61,584	(49,758)	(284)
Expenses recognized in the statement of profit & losses	33,697	2,37,032	(19,640)	36,694

c. **Actuarial gain/loss recognized** (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2019	**March31, 2018**	**March31, 2019**	**March31, 2018**
Actuarial gain/(loss) for the period – obligation	145,541	(61,584)	49,758	284
Actuarial gain/(loss) for the period - plan assets	--		--	--
Total (gain)/loss for the period	(145,541)	61,584	(49,758)	(284)
Actuarial (gain)/loss recognized in the period	(145,541)	61,584	(49,758)	(284)
Unrecognized actuarial (gains) losses at the end of period	--	--	--	--

d. The amounts to be recognized in balance sheet and related analysis (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2019	March31, 2018	March31, 2019	March31, 2018
Present value of obligation as at the end of the period	730,562	6,96,865	104,807	1,24,447
Fair value of plan assets as at the end of the period	--	--	--	--
Funded status / Difference	(730,562)	(6,96,865)	(104,807)	(1,24,447)
Excess of actual over estimated	--	--	--	--
Unrecognized actuarial (gains)/losses	--	--	--	--
Net asset/(liability) recognized in balance sheet	(730,562)	(6,96,865)	(104,807)	(1,24,447)

e. Actuarial Assumptions

i) Economic Assumptions

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

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2019	March31, 2018	March31, 2019	March31, 2018
Discount Rate (%)	7.66	7.70	7.66	7.70
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)	22.93	23.04	22.93	23.04

ii) Demographic Assumption **(Amount in ₹)**

Particulars	Gratuity		Leave Encashment	
	March31, 2019	March31, 2018	March31, 2019	March31, 2018
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
iii) Ages				
Up to 30 Years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

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

Termination benefits

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

Sensitivity Analysis of the defined benefit obligation.

(Amount in ₹)

	Gratuity	Leave Encashment
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	**730,562**	**104,807**
Impact due to increase of 0.50%	(49,237)	(7,286)
Impact due to decrease of 0.50 %	54,060	8,024
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	**730,562**	**104,807**
Impact due to increase of 0.50%	54,948	8,153
Impact due to decrease of 0.50 %	(50,425)	(7,461)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions 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.

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

Notes:

a) The current service cost recognised as an expense is included in Note 23 ‘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 23 ‘Employee benefits expense’.

29. RELATED PARTY TRANSACTIONS:

Name of related parties and description of relationship

Name	Relationship
B.A.G. Films and Media Limited	Holding Company
E24 Entertainment Limited	Foreign Subsidiary
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

Details of Transactions during the year and balances at the year end **(Amount in ₹)**

Particulars	**Holding Company**		**Key Managerial Personnel (KMP)**		**Enterprises over which KMP are able to exercise significant influence**	
	For Year Ended March 31,		**For Year Ended March 31,**		**For Year Ended March 31,**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Office Rent	2,160,000	2,160,000	240,000	240,000	--	--
Income from Ad Sale	--	--	--	--	6,018,750	--
Expenses Reimbursed	6,233,843	6,665,789	--	--	--	--
Programming Expenses	16,467,500	--	--	--	--	--

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 are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.

30. EARNING PER SHARE (Amount in ₹)

Particulars	**For the year ended**	
	2018-19	**2017-18**
Profit for the year	2,136,756	(814,641)
Weighted Average number of equity shares used as denominator for calculating Basic EPS	36,009,280	29,014,100
Basic Earnings per share	0.06	(0.03)
Weighted Average number of equity shares used as denominator for calculating Diluted EPS	30,608,652	30,608,652
Diluted Earnings per share	0.07	(0.03)
Face Value per equity share	10	10

31. 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 thereof **(Amount in ₹)**

	March 31, 2019		March 31, 2018	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
a) Financial assets				
i) Measured at amortised cost				
Trade receivables	69,105,494	69,105,494	71,344,099	71,344,099
Cash and cash equivalents	3,757,749	3,757,749	10,711,588	10,711,588
Other financial assets	135,479,191	135,479,191	45,950,469	45,950,469
Investments				
b) Financial liabilities				
i) Measured at amortised cost				
Trade payables	42,760,172	42,760,172	51,858,843	51,858,843
Other financial liabilities	212,577,235	212,577,235	159,455,200	159,455,200

* 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:

	March 31,2019	March 31,2018
Trade Receivable (Unsecured)		
- Over six months	-	-
-Less than six months	69,105,494	71,344,099
Total	**69,105,494**	**71,344,099**

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 couter parties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

ii. Liquidity risk management

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

Maturities of financial liabilities

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

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total
Contractual maturities of financial liabilities				
March 31, 2019				
Trade payables and other financial liabilities	42,760,172	--	--	42,760,172
Borrowings	53,122,035	--	159,455,200	212,577,235

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total
Contractual maturities of financial liabilities				
March 31, 2018				
Trade payables and other financial liabilities	51,858,843	--	--	51,858,843
Borrowings	--	--	159,455,200	159,455,200

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, 2019 (Previous year Nil).

b. Interest rate risk

The Company does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2019 (Previous year Nil).

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.

32. CAPTAL MANAGEMENT

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The company considers the following components of its balance sheet to be managed capital:

Total equity as shown in the balance sheet including reserves, retained earnings and share capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

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

For Kumar Khare & Co.
Chartered Accountants
Firm Registration Number: 006740C

For and on the behalf of Board of Directors

Alok Khare
Partner
Membership No. 075236

Anuradha Prasad Shukla
Managing Director
DIN : 00010716

Sudhir Shukla
Director
DIN : 01567595

Vinay Kumar Srivastava
Chief Financial Officer

Ajay Mishra
Company Secretary

Place : Noida
Date : May 29, 2019

CASH FLOW STATEMENT
For the Year ended March 31, 2019

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		5,637,018		2,138,512
Adjustments for:				
Depreciation and amortisation	16,382,037		17,210,935	
Interest paid (finance cost)	3,593,208		1,495,218	
		19,975,245		18,706,153
Operating profit / (loss) before working capital changes				
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
(Increase) / Decrease in inventories	254,360		551,250	
(Increase) / Decrease in trade receivables	2,238,604		(26,746,949)	
(Increase) / Decrease in other financial assets	(98,967,203)		5,705,170	
(Increase) / Decrease in other current asset	9,438,481		(5,200,202)	
Adjustments for increase / (decrease) in operating liabilities:				
Increase / (Decrease) in trade payables	(9,098,668)		30,721,361	
Increase / (Decrease) in Other current liabilities	16,893,572		(3,448,668)	
Increase / (Decrease) in provisions	14,057		171,379	
		(79,226,797)		1,753,341
Cash generated from operations		(53,614,534)		22,598,006
Net cash flow from / (used in) operating activities (A)		**(53,614,534)**		**22,598,006**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Purchase of Property, plant and Equipment (PP&E)	(2,868,132)		(406,381)	
Net cash flow from / (used in) investing activities (B)		**(2,868,132)**		**(406,381)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share warrants	-		(99,295,850)	
Repayment of other financial liabilities	53,122,035		86,955,600	
Interest paid (finance cost)	(3,593,208)		(1,495,218)	
Net cash flow from / (used in) financing activities (C)		**49,528,827**		**(13,835,468)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(6,953,839)**		**8,356,157**
Cash and cash equivalents at the beginning of the year		10,711,588		2,355,431
Cash and cash equivalents at the end of the year		3,757,749		10,711,588
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		3,757,749		10,711,588
Cash and cash equivalents at the end of the year *		3,757,749		10,711,588

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.The above Statement of cash flows should be read in conjunction with the accompanying notes
This is the Statement of cash flows referred to in our report of even date

For and on behalf of Board of Directors

For Kumar Khare & Co.
Chartered Accountants
Firm Registration Number: 006740C

Anuradha Prasad Shukla
Managing Director
DIN: 00010716

Sudhir Shukla
Director
DIN: 01567595

Alok Khare
Partner
Membership Number: 075236

Vinay Kumar Srivastava
Chief Finacial Officer

Ajay Mishra
Company Secretary

Place : Noida
Date : May 29, 2019

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SKYLINE RADIO NETWORK LIMITED

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