

## BOARD'S REPORT

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

The Directors have pleasure in presenting the 15<sup>th</sup> Annual Report on business and operations of the Company together with Audited Financial Statements for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

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

Particulars	(Rupees in Lakhs)	
	2019-20	2018-19
Total Income	537.44	1232.18
Profit before Depreciation & Financial Charges	(199.61)	256.12
Financial Charges	71.59	35.93
Cash Profit	(271.20)	220.19
Depreciation	157.92	163.82
Profit before Tax	(429.12)	56.37
Provision for Tax	(29.12)	35.00
Profit/Loss after Tax	(400.00)	21.37
Proposed Dividend	Nil	Nil

### FINANCIAL PERFORMANCE

During the period under review, revenue from operations of the Company has decreased by 56.27% from Rs. 1216.37 Lakhs to Rs. 531.90 Lakhs. During the year, net loss after tax of the Company was increased from Rs. 21.37 Lakhs to Rs. 400.00 Lakhs.

### EMERGENCE OF COVID-19

Towards the end of the financial year, the World Health Organization (WHO) declared Covid-19 a pandemic and the outbreak. Covid-19 is seen having an unprecedented impact on people and economies worldwide.

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focused on controlling the costs, maintaining liquidity and closely monitoring the supply chain to ensure that the content and radio business facilities operate smoothly.

For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our viewers globally. The Government's decision to put the country into full lockdown during the latter phase of the fourth quarter had a major impact on the Company.

## **DIVIDEND**

Your 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 2019-20.

## **GENERAL RESERVE**

The Company has not transferred any amount to General Reserve for the financial year ended March 31, 2020.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

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

## **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 FM radio station, on frequency 106.4 in the name of "**Dhamaal24 - Har Khushi hai Jahan**" is now the voice of the regions and its many shows are household names in all ten cities where it is operational i.e. Hissar, Karnal, Patiala, Ranchi, Muzaffarpur, Dhule, Jalgaon, Ahmednagar, Simla and Jabalpur.

Dhamaal24 believes that life must be lived to the fullest and celebrated. Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming. Various programs are purposely aligned for maximum listenership. Our content entices regional listeners. There are many popular shows like Zindagi Live, Zara Hat Ke Zara Bachke, Omkar, Yad Kiya Dil Ne, Good Morning, AGOG, Bollywood Reporter, Bollywood Flash Back, Dil Dosti Etc, Love ka fever check, Direct dil se, Marathi special show Ukhana, Champak bhai aa raila hai, Around the Ground, Biscope ki Baatein, Filmy Chatar Patar, Ranchi Life, Good morning Ranchi and Back to Back which are aired on Dhamaal24 keeping the regional flavor in each of its programmes offered to its 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 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, there was no change in Board of Directors of the Company.

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Ms. Anuradha Prasad Shukla, Managing Director; Mr. Vinay Kumar Srivastava, Chief Financial Officer and Mr. Lokesh Gautam, Company Secretary.

During the reporting period Mr. Ajay Mishra, resigned from the post of Company Secretary with effect from 11.02.2020 and Mr. Lokesh Gautam was appointed as Company Secretary vide its Board Meeting dated 02.03.2020.

## **Directors Retiring by Rotation**

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

## **Meetings**

During the year five Board Meetings dated 29.05.2019, 07.08.2019, 14.11.2019, 11.02.2020 and 02.03.2020 were convened. The intervening gap between the Meetings was within the time limit as 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 two Committees as follows:

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. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the meeting of the Board.

### **(ii) Composition and Meeting of the Committee: -**

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

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

During financial year 2019-20, four Audit Committee Meetings were held on May 29, 2019; August 7, 2019, November 14, 2019 and February 11, 2020 respectively.

## **NOMINATION AND REMUNERATION COMMITTEE**

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

### **(i) Terms of Reference**

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

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

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

### **(ii) Composition and Meeting of the Committee**

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. The Company Secretary acts as the Secretary of the Committee.

During financial year 2019-20, two Nomination and Remuneration Committee Meetings were held on October 25, 2019 and March 02, 2020 respectively.

### **(iii) Nomination and Remuneration Policy**

The Remuneration policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices. The policy ensures equality, fairness and consistency in rewarding the employees 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, 2020, 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, 2020 and of loss of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis.
- e) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were in place and were adequate and operating effectively.

## **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 12<sup>th</sup> Annual General Meeting held on September 26, 2017 for a term of five consecutive years on remuneration mutually agreed upon by the Board of Directors and Statutory Auditors. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

### **Qualification in Auditors reports**

The Report given by the Statutory Auditors on the financial statements of the Company forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by M/s. Kumar Khare & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year 2019-20.

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

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

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

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

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

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

### **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 2019-20 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.

### **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.

## **SHARE CAPITAL**

There is only one class of shares i.e. equity share of face value of Rs.10 each. The authorized share capital is Rs. 320,000,000 divided in to 32,000,000 equity shares of Rs. 10 each. The issued subscribed and paid up Equity Share Capital stood at Rs. 290,141,000/- divided in to 29,014,100 equity shares of Rs. 10 each as at March 31, 2020 which is same as at March 31, 2019.

During the year under review, the Company has repaid an amount of Rs. 68, 798,400/- against 687,944 Optionally Fully Convertible Debentures (OFCDs) to E24 Glamour Limited and News24 Broadcast India Limited. Details are given in Financial Statements of the Company.

## **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: 29.06.2020