



PUNE

AHMEDABAD

AGRA

JAIPUR

DELHI

VARANASI

LUCKNOW

KANPUR

HISAR

VIZAG

CHENNAI

JALANDHAR

JALGAON

AHMEDNAGAR

HYDERABAD

NAGPUR

SURAT

AKOLA

NANDED

JAMSHEDPUR

MUMBAI

AJMER

SOLAPUR

KARNAL

BAREILLY

PATIALA

GORAKHPUR

VADODARA

UDAIPUR

RANCHI

BENGALURU

COIMBATORE

SANGLI

MADURAI

KOTA

KOLHAPUR

BIKANER

NASHIK

PATNA

39 CITIES | 12 STATES  
1 UNIVERSAL TUNE  
RAG RAG MEIN  
DAUDE CITY.



LISTEN TO  
LEADERSHIP

MUSIC BROADCAST LIMITED  
Annual Report 2016-17

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**20.4%**  
REVENUES



**16.8%**  
EBITDA



**32.7%**  
PROFIT AFTER  
TAX



y-o-y growth in 2016-17 over  
2015-16

### EQUITY SHARE INFORMATION

MARKET CAPITALISATION  
(31<sup>ST</sup> MARCH, 2017)  
₹ 2,043.9 CRORES

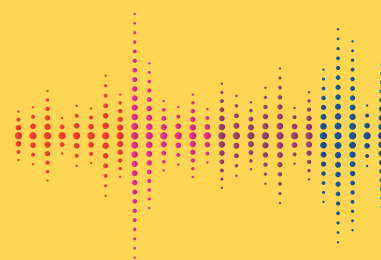
PROMOTERS' HOLDING  
**70.58%**

NATIONAL STOCK  
EXCHANGE (NSE)  
**RADIOCITY**

BOMBAY STOCK  
EXCHANGE (BSE)  
**540366**

### ABOUT RADIO CITY

Radio City, a part of Music Broadcast Limited (MBL) is a subsidiary of Jagran Prakashan Ltd. Radio City is the first and oldest FM radio broadcaster in India. Radio City's philosophy of 'Rag Rag mein Daude City' aims to invoke the feeling of City Pride amongst the citizens and galvanises a stronger emotional connect with the listener through a 'micro local' content approach that reflects the city's fabric, culture and nuances.



WE AREN'T  
JUST THE CITY'S  
FM CHANNEL.

**WE ARE ITS  
IDENTITY.**

WE AREN'T JUST  
AN ENTERTAINMENT  
DESTINATION FOR  
THE CITIZENS.

**WE ARE  
THEIR VOICE.**

WE RUN THROUGH  
THE VEINS OF

**39  
CITIES.**

WE ARE THE BEAT,  
THE PULSE, THE  
ADRENALINE RUSH  
OF A CITY.

**RAG RAG  
MEIN  
DAUDE  
CITY...FM  
BOLE TOH**

AS INDIA'S FIRST AND LEADING RADIO BROADCASTER, WE CONTINUE TO STRENGTHEN OUR LEADERSHIP ACROSS THE COUNTRY BY ALWAYS GIVING THE INDUSTRY MANY FIRSTS.

OUR EXPERTISE LIES IN GIVING CLUTTER-BREAKING CONTENT TO OUR LISTENERS ACROSS THE NATION WITH A HIGH LEVEL OF EFFICACY. OUR CONTENT RESONATES ACROSS INDIA'S DIVERSE AUDIENCE SPECTRUM WITH DISCERNING PREFERENCES.

OVER THE YEARS, WE HAVE BEEN RECOGNISED AMONG GREAT PLACES TO WORK AND THE AWARDS AND APPLAUDS THAT WE RECEIVE NATIONALLY AND INTERNATIONALLY VALIDATE OUR EFFORTS TO BE A PREFERRED NETWORK FOR ADVERTISERS. OUR PATRONS AND THE GROWING FRATERNITY OF STAKEHOLDERS ENCOURAGE US TO ENHANCE OUR PERFORMANCE IN PERHAPS THE FASTEST GROWING SEGMENT OF THE M&E INDUSTRY.

IN OUR MAIDEN POST-IPO REPORT, WE TAKE YOU THROUGH AN INTERESTING JOURNEY OF MUSIC BROADCAST LIMITED SINCE INCEPTION IN THE PRIVATE FM INDUSTRY.

**RADIO  
CITY**





## RADIO CITY LEADING THE WAY IN 39 MARKETS

### 91.9 FM AGRA

Agra is famous for its Taj Mahal and is also home of the famous Agra Gharana. This city ranked 5<sup>th</sup> on the financial penetration and consumption index, which indicates a city's transformation into an urban town (Source: India's New entrepreneurs).

### 91.1 FM AHMEDABAD

The vibrant culture of this city is not only restricted to Garba, as Bhakti Sangeet and Gujarati folk songs have also contributed immensely. It was also declared the 7<sup>th</sup> largest credit centre nationwide by RBI as on June 2012 (Source: RBI).

### 91.1 FM AHMEDNAGAR

Ahmednagar has stood witness to several historical events, and its musical history was created when Radio City launched in the city to become its first FM station.

### 104.8 FM AJMER

Ajmer is known for its own brand of music - Fariyad, which is a compilation of Qawaalis sung in devotion to Sufi Saint Khwaja Moinuddin Chishti.

### 91.1 FM AKOLA

Ganesh Chaturthi transforms Akola into a carnival-like fest with loud music and dances on the streets with idol immersion processions.

### 91.1 FM DELHI

Delhi enjoys its ghazals and thumris, as much as Bollywood's chartbusters and Bhangras. The Gross State Domestic Product of Delhi at current prices increased to ₹ 5,51,963 crores during 2015-16 indicating a growth of 12.09% (Source: IBEF).

### 91.9 FM GORAKHPUR

Gorakhpur is home to folk music categories such as Alha, Barahmasi and Kajari.

### 91.9 FM HISAR

Tracing its cultural heritage to the Indus Valley Civilisation, Hisar enjoys a local folk dance form called Ghoomar. It also has a large steel industry and is known as the 'City Of Steel'.

### 91.1 FM HYDERABAD

Hyderabad gave us not only Bahubali, but also Carnatic music gurus like Saint Thyagaraja, Shyama Shastri and Muthuswami Dixitar. It is also the second best Indian city for doing business as declared by the World Bank Group in 2015.

### 91.9 FM JALANDHAR

Jalandhar celebrates the Harballabh Sangeet Mela every year in memory of Swami Harballabh, the legendary saint and musician of Jalandhar. When it comes to business, Jalandhar manufactures 30% of cricket equipment in India (Source: Jalandhar Business Opportunities, 2016).

### 91.1 FM KOTA

Kota is famous for its thriving coaching centres for medical and engineering entrances. But not many people know that music plays a soothing role in the hectic lives of these youngsters pursuing serious career goals.

### 95 FM KOLHAPUR

Kolhapur is an industrial city with approximately 300 foundries producing exports with a value of ₹ 15 billion per year (Source: The Gazeeters Department 2015).

### 91.1 FM LUCKNOW

Lucknow has been ranked sixth in a list of the ten fastest growing job-creating cities of India. It also has a culture of music and dance that goes back to the Mughal era. The city, once famous for its 'Mujras', has been portrayed as such in Bollywood movies like Umrao Jaan and Pakeezah (Source: Assocham Placement, Department of MSME, GOI).

### 91.9 FM MADURAI

The legendary singer and Bharat Ratna recipient M.S. Subbulakshmi began her career in Indian Carnatic music in the temple city of Madurai. She learnt music from her mother, who belonged to the 'Devadasi' community.

### 91.1 FM MUMBAI

Mumbai is the home of Bollywood and today, Bollywood music has seeped into every corner of the city's life. Apart from Bollywood, it also contributes to 7% of the national GDP (Source: Mumbai: India's Global City).

### 91.1 FM PUNE

Pune is emerging as a prominent location for IT and manufacturing. It has the 8<sup>th</sup> largest metropolitan economy and the 6<sup>th</sup> highest per capita income in the country. Apart from this, it also hosts 'Savai Gandharva Bhimsen Mahotsav', which is a three night long classical music programme including both Hindustani and Carnatic music (Source: Census 2011).

### 91.9 FM RANCHI

Ranchi stands at number nine on the ease of doing business in India according to World Bank's Doing Business in India survey of 2016. It is also home to several popular folk music artists like Jado Patiya, Santhali Bhattichitra and Oraon Bhattichitra (Source: World Bank).

### 91.1 FM SANGLI

Sangli is known as Natyapandhari as it is the birthplace of Marathi drama. Alongside drama, the city is known for its allure towards folk and traditional music forms.

### 91.1 FM SOLAPUR

Solapur is the home of handloom and power loom weaving industry with around 6000 power loom industries operational in the district. Beedi industry is the second most important industry in Solapur. There are 115 units of 29 various Beedi factories (Source: Maharashtra.nic.in).

### 91.1 FM SURAT

Surat is the largest diamond hub in the entire world. It is believed that 9 out of 10 diamonds in Manhattan, New York are from Surat. It is also the biggest centre of MIMF (man-made fibre) in India. It has a total of 381 dyeing and printing mills and 41,100 power loom units. The overall annual turnover is around ₹ 5 billion (Source: Ministry of Urban Development).





91.1 FM

**BENGALURU**

Bengaluru is the birthplace of Carnatic music. This IT hub of India also employs about 35% of India's pool of 2.5 million IT professionals and accounts for the highest IT-related exports in the country (Source: The New York Times).

91.9 FM

**BAREILLY**

With "Jhumka gira re, Bareilly ke bazaar mein..." being so famous, need we say anything more?

91.1 FM

**BIKANER**

Many people don't know that Taalbandi, also known as Dangal is one of the prime folk music forms practised in Bikaner.

91.1 FM

**CHENNAI**

Chennai has been chosen under the Smart Cities programme by Government of India in 2015-16. Apart from this, the city also offers a concoction of classical Carnatic music, western contemporary music and the popular Kollywood movies (Source: IBEF).

91.1 FM

**COIMBATORE**

Coimbatore is a cosmopolitan hub and it hosts art, music and dance concerts in the months of September and December. It is also home to more than 17% of the fibre textile mills in India (Source: Confederation of Textile Industry).

91.1 FM

**JAIPUR**

Music in Jaipur is largely influenced by the city's royals and inspired by traditional instruments like Ghungroo, Sarangi and Ektara. Apart from its music, this city was also ranked 31<sup>st</sup> among the 50 Emerging Global Outsourcing Cities in 2015 (Source: Indian cities among global outsourcing cities).

91.1 FM

**JALGAON**

Jalgaon's famous dance Lavni is a major attraction in most of its festivals. It also has over 500 pharmacies, chemists and drugstores, which make it the city with the highest number of pharmacies - for a city of its size in India (Source: Medicine India - List of Pharmacies, Chemists, Drugstores in Jalgaon).

91.1 FM

**JAMSHEDPUR**

This city is home to the first private iron and steel company of India (Source: Economy and Industries of Jamshedpur 2016).

91.9 FM

**KARNAL**

Teej is the most popular festival in Karnal, celebrated in the Hindu month of Shraavan with devotional songs dedicated to Shiva and Parvati's love.

104.8 FM

**KANPUR**

Nautanki and Ram Leela provide budding artists a platform to grow in Kanpur. Also, the city is home to several Hindustani classical music artists. It is also the 11<sup>th</sup> most populous city in India and the largest city in the state of Uttar Pradesh followed by Lucknow (Source: Census 2011).

95 FM

**NASHIK**

Nashik has 22 wineries out of the total 46 wineries in India. It also hosts the Sula Fest which is a popular music and wine festival held in the Sula Vineyards every year (Source: Nashik Harvest 2015).

91.1 FM

**NAGPUR**

The Maharashtra Agro Industrial Development Corporation has a multi-fruit processing division called Nagpur Orange Growers Association (NOGA), which has an installed capacity of 4,950 MT of fruits per annum (Source: Nagpur Orange Grower's Association (NOGA), Economic Survey of Maharashtra 2015).

91.1 FM

**NANDED**

Nanded's cultural heritage is rooted in its love for poetry, dance and drama. It is a centre for dance forms like Povadas and folk theatres with distinct Marathi music.

91.1 FM

**PATIALA**

Patiala is renowned for the Patiala Gharana of music, which is a fusion of Indian and Pakistani classical music. It was pioneered by Ustad Fateh Ali Khan and Ustad Ali Baksh Khan, while Ustad Bade Ghulam Ali Khan achieved worldwide fame and brought glory to the Patiala Gharana.

91.1 FM

**PATNA**

Patna is the 21<sup>st</sup> fastest growing city in the world, and the fifth fastest growing city in India, and is expected to grow at an average annual rate of 3.72% (Source: World's fastest growing urban areas: City Mayors 2016).

91.9 FM

**UDAIPUR**

The seat of Mewar rulers still echoes with melodies from traditional instruments like Morchang, Naad, Tanpura and Sarangi. Further, Udaipur hosts the World Music Festival, where artists from across the globe come to perform.

91.9 FM

**VARANASI**

Hindu Puranas mention Kashi (Varanasi) as the land where Apsaras, Gandharvas and Kinnaras practised dance and music. In modern times, notable musicians like the sitar player Ravi Shankar, shehnai maestro Ustad Bismillah Khan, singer Giriji Devi carried the baton of Varanasi music.

91.1 FM

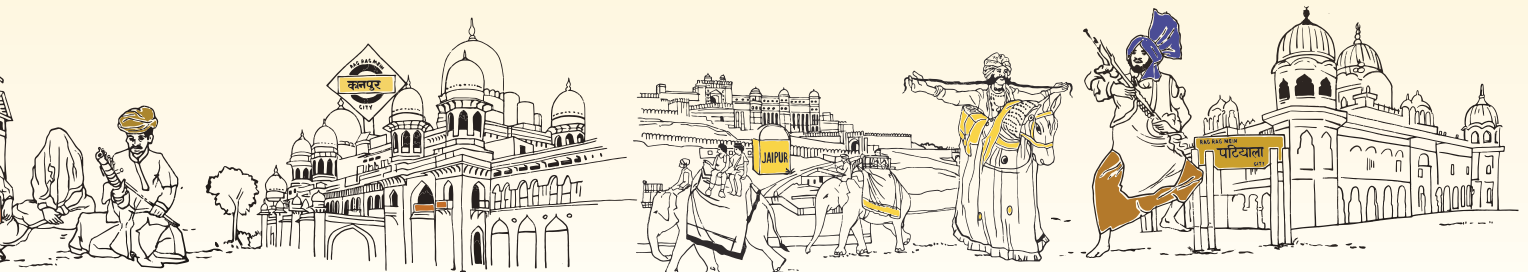
**VADODARA**

Vadodara is the cultural capital of Gujarat and is called the Sanskari Nagari. Apart from this, it is also the power equipment manufacturing hub of India. It accounts for over 35% of India's power transmission and distribution (T&D) equipment manufacturers (Source: Switch conference at Vadodara in October 2016).

91.1 FM

**VIZAG**

Vizag is home to Carnatic music and dance forms like Kuchipudi and Bharatnatyam. This city showcases Andhra Pradesh's culture fusion with the Rishikonda Beach Festival and Visakhapatnam Music Festival.





# VOICE OF LEADERSHIP

RADIO CITY HAS SPEARHEADED THE EVOLUTION OF FM RADIO PROGRAMMING BY OFFERING CONTENT THAT IS UNIQUE AND PATH-BREAKING. THE NETWORK INTRODUCED HUMOUR AND THE CONCEPT OF AGONY AUNT ON RADIO WITH BABBER SHER AND LOVE GURU, RESPECTIVELY.



THROUGH OUR 'RAG RAG MEIN DAUDE CITY' PHILOSOPHY, WE HAVE ADOPTED A LOCAL APPROACH THAT RESONATES WITH LISTENERS, WHILE INCULCATING A SENSE OF PRIDE AND INFUSING LOCAL CULTURE AND FLAVOUR ON AIR. WE PROVIDE TERRESTRIAL PROGRAMMING, ALONG WITH 42 OTHER WEBSTATIONS, THROUGH OUR DIGITAL INTERFACE, [WWW.RADIOCITY.IN](http://WWW.RADIOCITY.IN).



## OUR VISION

MAKE LIFE MORE ENTERTAINING



## OUR MISSION

TO BE THE MOST PROFITABLE MULTI-PLATFORM MEDIA COMPANY BY PROVIDING OUTSTANDING & RELEVANT CONTENT TO SEC ALL 12+



## OUR VALUES

- THOUGHT LEADERSHIP AND INNOVATION
- BUILDING BEST-IN-CLASS CONSUMER EXPERIENCE FOR LISTENERS AND ADVERTISERS
- PEOPLE ORIENTATION
- PROCESS-DRIVEN CULTURE



# 16+ YEARS

OF EXPERTISE IN THE RADIO INDUSTRY

# #1

PRIVATE FM BROADCASTER IN INDIA

# 52.5 MN

LISTENER BASE

(Source: AZ Research Baseline Study, 23 markets of Radio City, TG 12+, Period - March 2017 Weekly reach)

# 39

RADIO STATIONS

# 42

WEB RADIO STATIONS IN 8 LANGUAGES

# 108

TEAM OF RADIO JOCKEYS (RJS)

# 7,400+

ADVERTISERS PREFER US

(Source: Aircheck 15 markets)

# 32 MN

LISTENERSHIP ON RADIOCITY.IN

(Source: Lasopi & PurpleStream)

# 11

NEW CITIES ACQUIRED IN PHASE III

# #1

MUMBAI, BENGALURU AND DELHI UNDER 'TOP OF MIND' BRAND RECALL

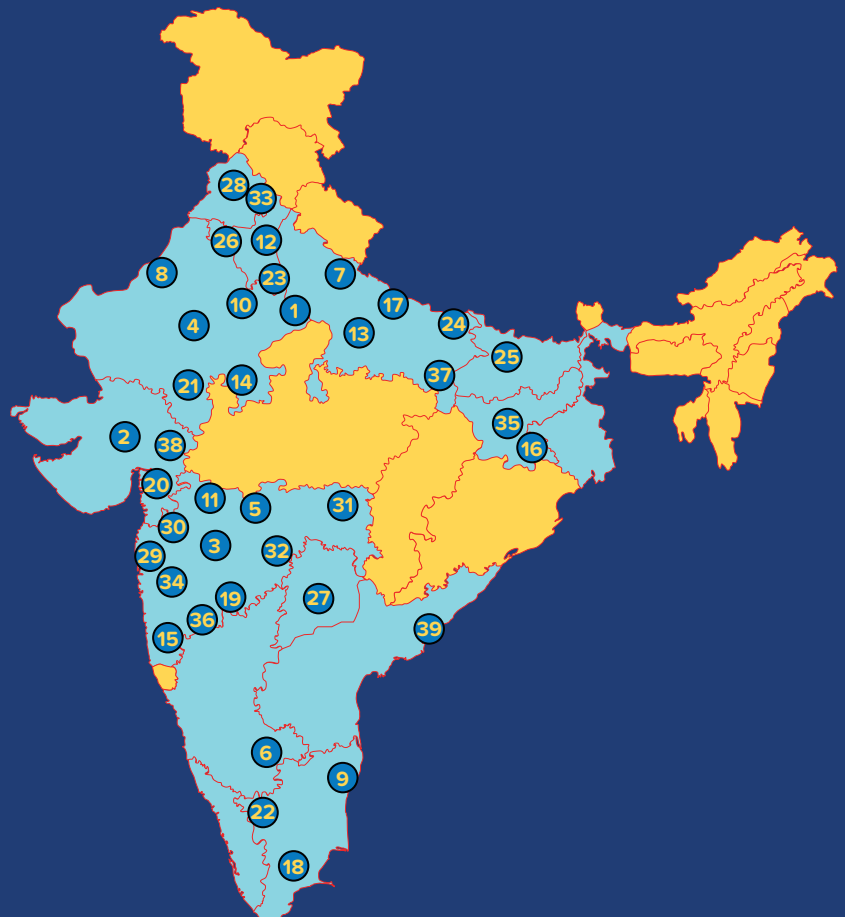
(Source: AZ Research, TG 12+, Period - March 2017 Weekly Recall Study)

## PAN INDIA PRESENCE

COVERING 62% OF INDIA'S FM POPULATION (12+)

(Source: IRS Q4 2012, Census 2011 & Radio City Extrapolation)

- |                |                |
|----------------|----------------|
| 1. Agra        | 21. Udaipur    |
| 2. Ahmedabad   | 22. Coimbatore |
| 3. Ahmednagar  | 23. Delhi      |
| 4. Ajmer       | 24. Gorakhpur  |
| 5. Akola       | 25. Patna      |
| 6. Bengaluru   | 26. Hisar      |
| 7. Bareilly    | 27. Hyderabad  |
| 8. Bikaner     | 28. Jalandhar  |
| 9. Chennai     | 29. Mumbai     |
| 10. Jaipur     | 30. Nashik     |
| 11. Jalgaon    | 31. Nagpur     |
| 12. Karnal     | 32. Nanded     |
| 13. Kanpur     | 33. Patiala    |
| 14. Kota       | 34. Pune       |
| 15. Kolhapur   | 35. Ranchi     |
| 16. Jamshedpur | 36. Sangli     |
| 17. Lucknow    | 37. Varanasi   |
| 18. Madurai    | 38. Vadodara   |
| 19. Solapur    | 39. Vizag      |
| 20. Surat      |                |





## RADIO CITY

embarked on a new brand philosophy – **Rag Rag Mein Daude City** that captures a micro local approach highlighting local flavour and nuances of each city

Radio City boosted its creative lateral with the launch of an in-house creative client solutions agency- **'AUDACITY'**

Enhanced footprint in

## SOUTH INDIA

by launching a station in Madurai along with Bangalore, Chennai, Coimbatore, Hyderabad and Vizag

Successfully completed initial public offering (IPO) of

₹ **400+** crores

Radio City reaches across

**52.5** million Indians making it the largest radio network across the country, confirms AZ Research March 2017 - Baseline study

Fortified presence in

**RAJASTHAN** with **5 stations** in Jaipur, Ajmer, Udaipur, Kota and Bikaner

# CROWNING MOVES

Radio City culminated **Radio City Super Singer Season 8** with an overwhelming response of

**4.7** lakh approx. participations

Rebranded Radio Mantra to Radio City across

**8** markets - Agra, Bareilly, Gorakhpur, Varanasi, Karnal, Hisar, Ranchi and Jalandhar

Radio City took its most running and loved retro show **KAL BHI AAJ BHI** on ground with Kal Bhi Aaj Bhi LIVE that celebrated the delightful moments of the golden era

Promised to be the one-stop destination for **MAXIMUM MUSIC** to Steel City, Jamshedpur







Launched India's First ever Live Radio Concert – **GIG CITY** with music maestros like Shaan, Farhan Akhtar, Shankar, Ehsaan, Loy, Salim- Sulaiman, Ayushmann Khurana and Sunidhi

Radio City shook up the retro space with the launch of **'RADIO CITY GOLD'**

Launched Radio City Patiala and forayed into **PUNJAB** market

Strengthened its presence in **MAHARASHTRA** with **11 stations** to its roster with the launch of Radio City Nashik and Radio City Kolhapur

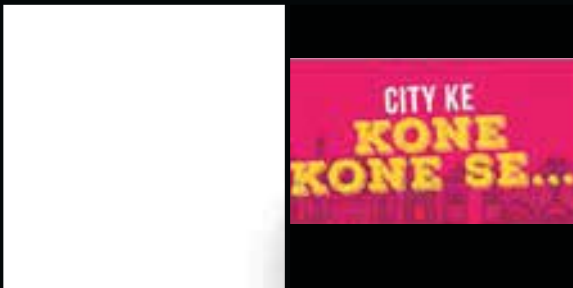


# ROUND THE YEAR

Under the Phase 3 expansion, Radio City strengthens its presence in **UTTAR PRADESH** with **6 cities** by launching of Radio City Kanpur

Won **31 AWARDS** nationally and internationally during 2016-17

Announced the fourth season of the biggest award that recognises independent music and artists – **Radio City Freedom Awards** – with gigs across **6 cities** culminating with a grand award night



# PIONEERING INITIATIVES BY RADIO CITY

RADIO CITY HAS BEEN A FORERUNNER IN PROVIDING CLUTTER-BREAKING CONTENT AND CONTINUES TO STRIKE A RIGHT BALANCE BETWEEN MUSIC AND CONTENT, WHICH IS DIRECTLY PROPORTIONAL TO LISTENER'S EXPERIENCE

## POPULAR PROGRAMMES



### LOVE GURU

The award-winning show (Promax Best Hindi RJ 2007), Radio City 91.1FM's 'Love Guru' has been one-stop show on relationships counselling, companionship and comfort for last 15 years. Love Guru's presenting style and his inimitable voice, blends the best of old-school radio and modern relationship advice, have made him the most reliable authority on problems of hearts.



### KAL BHI AAJ BHI

The most loved retro show on radio over the years made the retro genre an integral part of our life. With melodious music from yesteryears, sprinkled with unheard stories of the musical journey of the evergreen stars.



### BABBER SHER

Award-winning sparkler Babber Sher running successfully on air for more than a decade is a concept so hilarious that it has become synonymous with humour or radio





# TENTPOLE PROPERTIES



## GIG CITY

'Gig City' - India's first ever Live Radio Concert features a live multicity simulcast concert. In its first season it featured music maestros like Shaan, Farhan Akhtar, Shankar, Ehsaan, Loy, Salim- Sulaiman, Ayushmann Khurana and Sunidhi.



## RADIO CITY SUPER SINGER

This is India's biggest singing talent hunt on Radio. In its 8<sup>th</sup> season, it has garnered tremendous response with 4.7 lakh participations - more than any singing reality show.



## RADIO CITY FREEDOM AWARDS

Radio City Freedom Awards recognises and applauds talent across independent music. In its 4<sup>th</sup> season, RCFA started with gigs across six cities culminating with a grand award night in Mumbai.

# DIGITAL EVANGELIST



## RADIOCITY.IN

Radio City's digital leg radiocity.in includes 42 web radio stations, eight languages, 300+ playlists.



## RADIO CITY GOLD

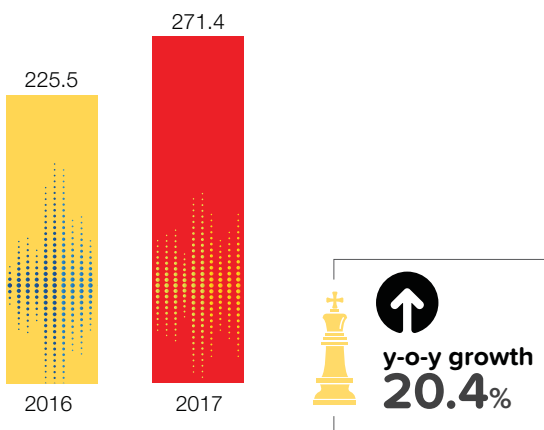
Radio City shakes up the retro space with the launch of 'Radio City Gold'. Radio City is the only global web radio network with various genres like RC Hindi Gold, RC Kannada Gold, RC Tamil Gold, RC Telugu Gold, Lata Mangeshkar Radio, Kishore Kumar Radio and RD Burman Radio.



# FINANCIAL PERFORMANCE

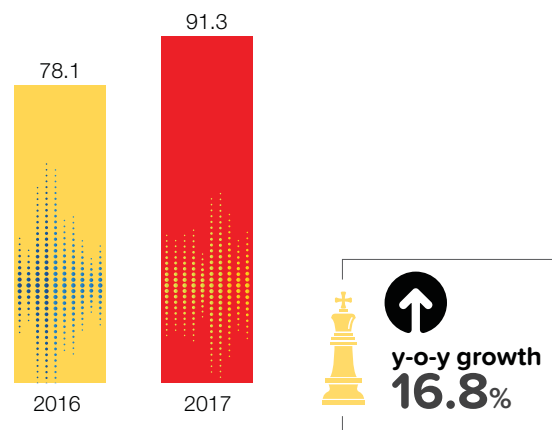
## REVENUES

(₹ in crores)



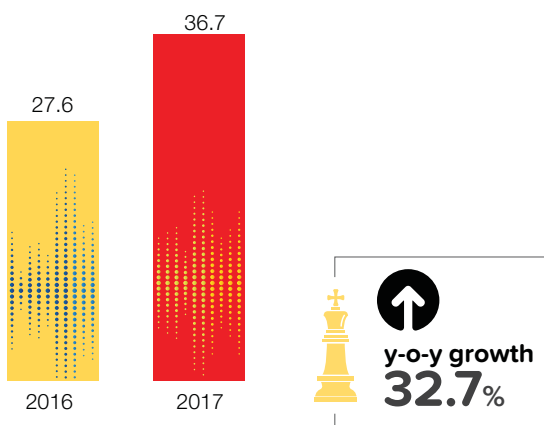
## EBITDA

(₹ in crores)



## PROFIT AFTER TAX

(₹ in crores)





### EBITDA MARGINS

(%)



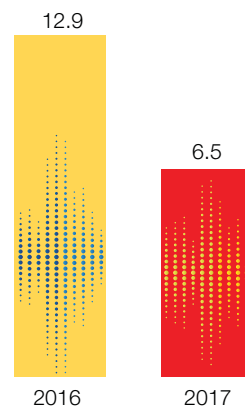
### PROFIT AFTER TAX MARGIN

(%)



### RETURN ON NET WORTH

(%)



Dropped since equity increased pursuant to IPO





## CHAIRMAN'S INSIGHT



**WE ARE VERY PLEASED TO INFORM YOU THAT OUR INITIAL PUBLIC OFFERING (IPO) IN FY 2016-17, WAS A RESOUNDING SUCCESS WITH A SUBSCRIPTION OF OVER 40 TIMES. WE RAISED ₹ 400 CRORES WITH THE PRIMARY ISSUANCE. WE ARE GRATEFUL TO OUR SHAREHOLDERS FOR REPOSING THEIR PRECIOUS TRUST IN OUR BUSINESS MODEL.**

### DEAR SHAREHOLDERS

India outperformed most developed economies in FY 2016-17 to register a GDP growth of 7.1%.

As a result it has become one of the world's fastest growing major economies, driven by robust policy initiatives as well as a focus on all-round development. With a reforms-focused government at the helm, the country is marching ahead in the right direction, however, implementation needs to pick up to bridge the gap between expectations and delivery.

Supported by strong economic fundamentals, we as a country are on the cusp of reaching double digit growth levels, which will drive discretionary spends and therefore media and entertainment spends in the country. India has one of the lowest per capita advertisement spends and media consumption in the world and thus it offers a huge potential for growth for many years to come. Having seen various phases of growth, media consumption habits of Indian

consumers, and proliferation of new media platforms, we believe that all media platforms are poised to grow and it is unlikely that any platform will come under threat from another, at least in our country. In fact, they complement each other and will continue to do so in foreseeable future, given the low penetration of each medium.

The country's M&E industry is currently expected to grow at a CAGR of 14.3% to ₹ 2,260 billion by 2020 with advertising revenues expected to surge at 15.9% CAGR to ₹ 994 billion. Radio as a segment is projected to grow fastest at over 16% CAGR. This growth is driven by both volume enhancements in tier-II and tier-III cities and an overall increase in advertisement rates. Besides, the announcement of the rise in foreign direct investment (FDI) cap for FM radio is expected to benefit the industry further.

### SUCCESSFUL IPO

We are very pleased to inform you that our initial public offering (IPO) in FY 2016-17, was a resounding

success with a subscription of over 40 times. We raised ₹ 400 crores with the primary issuance. We are grateful to our shareholders for reposing their precious trust in our business model. This confidence places a huge responsibility on us, to remain focused on our vision, strategy and growth and to deliver the best value to our shareholders.

### OUR PERFORMANCE

During 2016-17, we reported a very satisfactory performance, despite a muted second half owing to demonetisation. We registered a revenue of ₹ 271.4 crores in 2016-17, compared to ₹ 225.5 crores in 2015-16, an overall rise by 20.4 percent. As a result, our EBIDTA increased to ₹ 91.3 crores in 2016-17 against ₹ 78.1 crores in 2015-16. Our net profit stood at ₹ 36.7 crores in 2016-17 against ₹ 27.6 crores in 2015-16, an increase by 32.7 percent.

Our focus on efficient reach for our advertisers and relevance across markets for our consumers has helped in delivering better than industry growth



year-on-year both in volume and in value. We continue to consolidate our leadership across all our key markets and increase our engagement with advertisers.

Today, we have 39 stations including 11 new Radio City stations acquired in Phase-III and 8 stations from Radio Mantra taken over under the scheme of arrangement. All our Phase-II Radio City stations have been migrated to Phase-III. The new radio stations acquired in Phase-III are now fully operationalised. Radio Mantra stations have since been rebranded to Radio City. These 39 stations in tier-I, tier-II and tier-III cities allow us over 62 percent coverage of the new Phase-III FM footprint; and as all these stations are located in high advertiser potential markets, we provide an optimum and efficient reach to both national and regional advertisers (Source: IRS Q4 2012, Census 2011 & Radio City Extrapolation).

We believe our understanding of audience preferences and a research-based approach enables us to customise content to suit the preferences of each city's local audiences. Based on the recall statistics from third-party research agency AZ Research, we have been ranked No.1 in these markets - Mumbai, Pune, Ahmednagar, Bangalore, Baroda, Surat, Jaipur, Delhi, Lucknow, Ranchi, Varanasi, Gorakhpur, Hisar and Karnal (Source: AZ Research, TG 12+, Period - March 17 Weekly Recall). We recently revamped our digital interface with the launch of [www.radiocity.in](http://www.radiocity.in). Listeners now will be able to enjoy select terrestrial shows, along with exclusive digital content. We play 42 Radio stations in 8 languages and 300+ playlists have generated a listenership of 32 million (Source: Lasopi & PurpleStream).

Our in-house creative solutions team named 'AudaCity' provides bespoke advertising solutions on ground, on air, and digital media to address the needs of our advertisers. This supports our network sales team to service our advertisers better.

### LEADERS OF RADIO CITY

At Radio City, we believe we have created operational excellence through an inordinate emphasis on processes, research and best-in-class people practices. Our people focus has ensured that we are one of the best places to work at, across industries, and the employer of choice in the media industry.

The result is a dynamic and consistent team that nurtures a culture of innovation, is focussed on excellence and a spirit of camaraderie. This experienced team has a track record of delivering consistent performance in the radio industry and across various stages of a business life cycle.

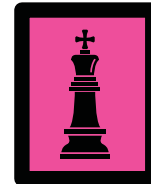
During FY 2016-17, we focused on enhancing the skill sets of our employees through various external and internal training sessions. We also run the Radio City School of Broadcasting through which we conduct training programmes to train individuals and develop talent to work in the radio industry.

### SOCIAL COMMITMENT

We are helping build an empowered society through educational and vocational training to help children associated with orphanages and blind schools gain sustainable employment. In FY 2016-17, we contributed ₹ 7.95 million towards our CSR activities, primarily in the form of financial aid to organisations, such as Happy Home and School for the Blind, Zion Social Welfare Society.

### WAY AHEAD

The radio industry is poised to grow consistently, driven by the commencement of many new radio stations, growing listenership across tier-II and tier-III cities, and an overall increase in advertisement rates. We intend to capitalise on the growth opportunities in the radio industry through leveraging our expertise and leadership position, while expanding to tier-II and tier-III cities. We believe that our expertise in developing local content



**WE BELIEVE OUR UNDERSTANDING OF AUDIENCE PREFERENCES AND A RESEARCH-BASED APPROACH ENABLES US TO CUSTOMISE CONTENT TO SUIT THE PREFERENCES OF EACH CITY'S LOCAL AUDIENCES. BASED ON THE RECALL STATISTICS FROM THIRD-PARTY RESEARCH AGENCY AZ RESEARCH, WE HAVE BEEN RANKED NO.1 IN THESE MARKETS - MUMBAI, PUNE, AHMEDNAGAR, BANGALORE, BARODA, SURAT, JAIPUR, DELHI, LUCKNOW, RANCHI, VARANASI, GORAKHPUR, HISAR AND KARNAL.** (Source: AZ Research, TG 12+, Period - March 17 Weekly Recall)

will consistently open new growth opportunities for us. We also intend to expand our digital presence where we have been pioneers since 2008 since we believe it is yet another opportunity to engage with our audiences and further the equity of brand Radio City.

Before I conclude, I would like to thank our advertisers, employees, shareholders, government and bankers; all of whom have been critical for our growth story and believe that the Company will continue to deliver as per expectations and live up to the trust reposed in it.

Warm regards,  
**Vijay Tandon**



## RULING THE AIRWAVES SINCE INCEPTION

**THE RADIO INDUSTRY IS POISED TO GROW AT A COMPOUNDED ANNUAL GROWTH RATE (CAGR) OF 16%\* FROM 2016 TO 2021 DRIVEN BY:**

**OPERATIONALISATION OF NEW STATIONS IN BOTH EXISTING AND NEW CITIES**

**RADIO TRANSITIONING INTO A 'REACH MEDIUM' FROM THE TRADITIONAL COVERAGE MEDIUM**

**INCREASING USAGE OF THE MEDIUM BY NEW LOCAL AND NATIONAL ADVERTISERS**



## INDUSTRY MEGA TRENDS\*

**Increased frequencies from 243 to 405 post Phase III, Batch 2**

**Radio's share in the overall advertising revenue ranges around 4-5%, which is lower than many developed countries where the share is around 7-10%**

**FM reached 45% of India's population, which is expected to go to 60-65%**

**Share of listeners tuning into radio from home is 78.1% in 2016**

**Increased the FDI limit in private FM radio raised to 49% in 2015**

**Increased the licence period to 15 years in Phase III**

\*KPMG India—FICCI Indian Media and Entertainment Industry Report, 2017





## INDUSTRY LEADERSHIP

- Leadership position in large markets
- Leadership in Mumbai and Bengaluru
- Leadership in advertising volume

## PRODUCT LEADERSHIP

- Right Shows - Right Time
- Right Markets - Right Price
- New-age digital media

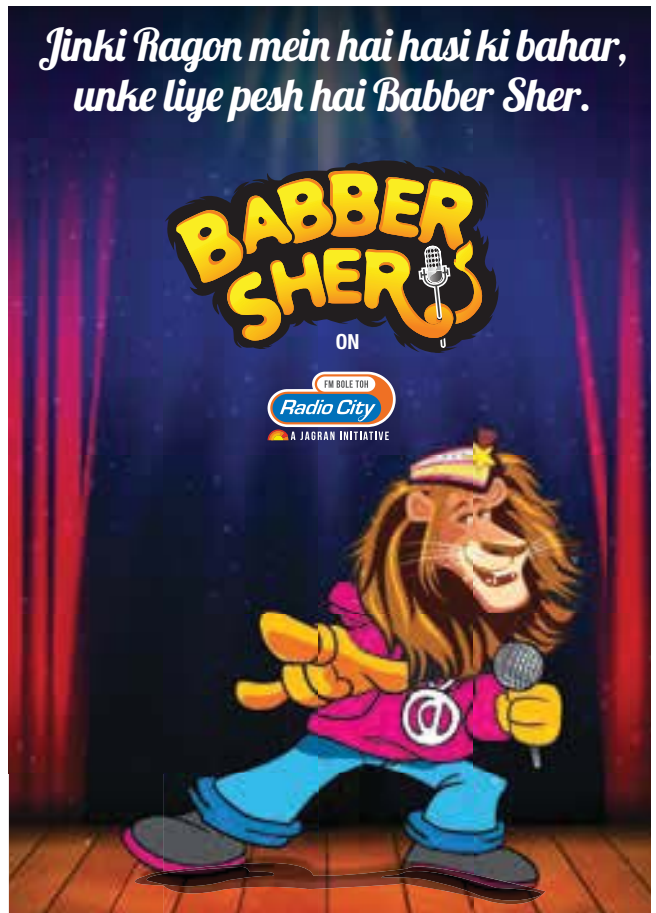
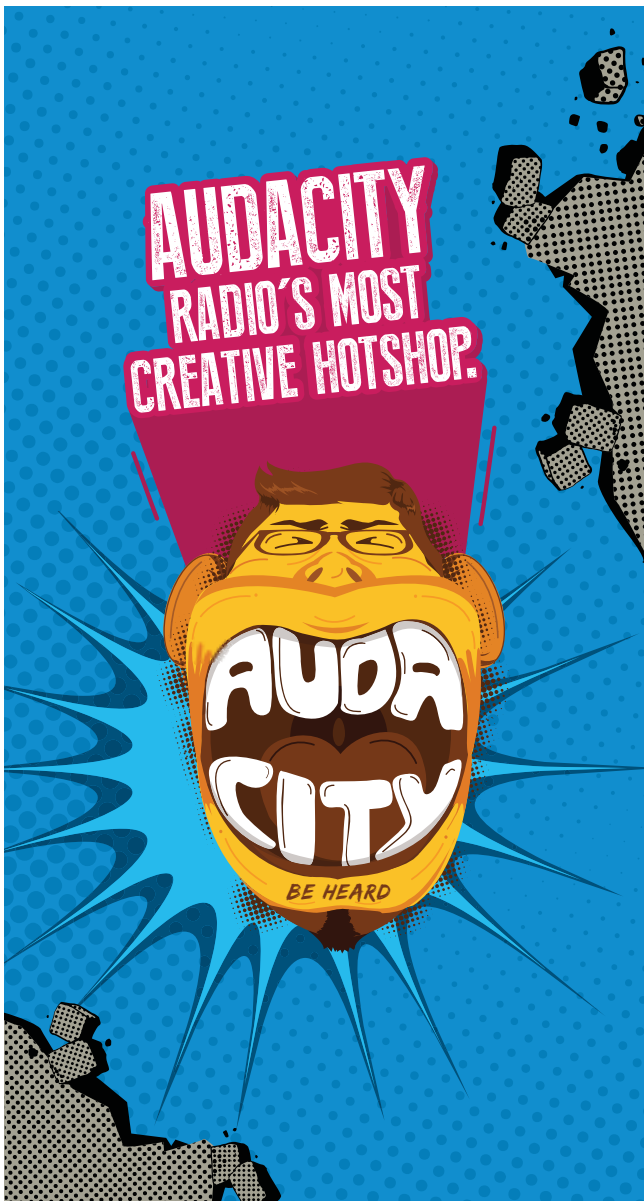
## ORGANISATIONAL LEADERSHIP

- Best-in-class internal operational systems and HR
- Received 31 awards in 2016
- Amongst Top 50 in Great Places to Work 2017
- Amongst leaders in Media Industry in Great Places to Work 2017

\*KPMG India—FICCI Indian Media and Entertainment Industry Report, 2017

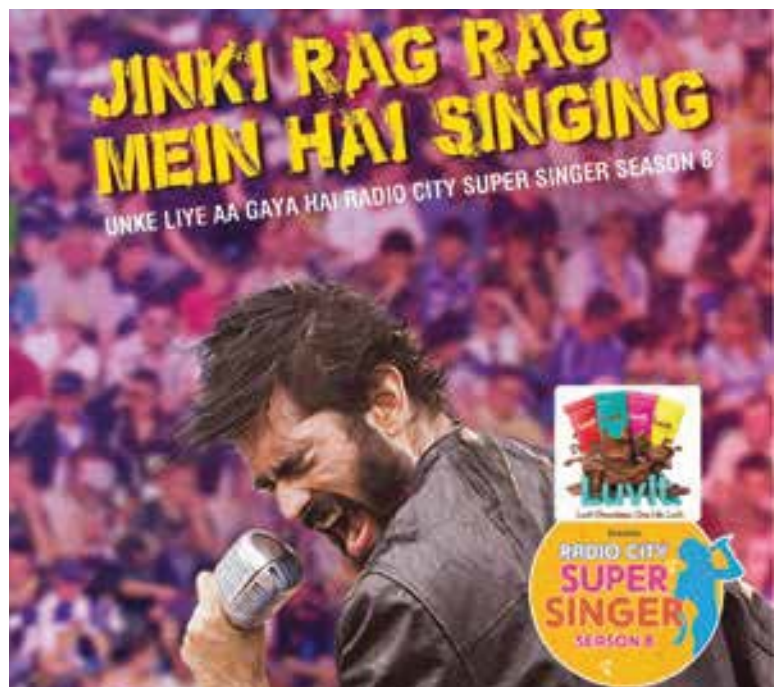


# INDIA'S FAVOURITE RADIO BRAND





**NASHIK | MUMBAI | PUNE | NAGPUR | AHMEDNAGAR | AKOLA | NANDED | JALGAON | SANGLI | SHOLAPUR | KOLHAPUR**





LEADERSHIP CREATES ITS OWN LEAGUE

# REIGNING MINDS AND

# MA

OUR INNOVATIVE CONTENT PROGRAMMING, NATIONAL PROMINENCE, PIONEERING INITIATIVES AND GROWTH IN REVENUES FROM OPERATIONS HAVE HELPED US SUSTAIN OUR INDUSTRY LEADERSHIP AND LISTENERSHIP REACH.



**12**  
OF THE TOP 15  
CITIES COVERED  
(IN INDIA BY  
POPULATION)

### LEADERSHIP IN LISTENERSHIP

We are present in 12 of the 15 cities in India by population (Source: Census 2011 Population data). As per the research conducted by AZ Research in 23 markets in which we operate, we have been ranked number one and two as on 31st March 2017 in each market in which we operate, in terms of number of listeners.

Moreover, in major markets, Radio City has been ranked 1 in Bengaluru and Mumbai with 24.17% and 16.97% average listenership share, respectively.

(Source: TAM Data – Radio Audio Measurement, Markets: Mumbai & Bangalore TG: 12+ Day-part: Mon-Sun 12:00 AM-12:00 AM, Place: All; Period: from December 30, 2012 to April 1, 2017).

# MARKETS

### LEADERSHIP IN DIGITAL SPACE

radiocity.in is an integral part of our digital approach. It will allow our listeners to listen to some of their favourite terrestrial content, in addition to the 42 web-exclusive stations, right on their digital devices, wherever they want, whenever they want. As a part of our new digital strategy, we will be adding more content, across languages to our existing digital offerings. The objective is to make the platform more relevant to listeners across geographies. radiocity.in strengthens our position as the forerunner in the digital space, while help us retain one of the leading spot across social media platforms.

We intend to capitalise on the growth opportunities in the radio industry through leveraging our expertise and leadership position, while expanding to tier-II and tier-III cities. Our expertise in developing local content will also help us in this expansion. Our expansion strategy will enable us to increase our revenue share from existing advertisers and retain our leadership position in the radio industry.

**42**  
RADIO  
STATIONS

**300+**  
PLAYLISTS

### LEADERSHIP IN ADVERTISEMENT VOLUME

Our operating revenues are mainly derived from radio air time sales. Our radio air time sales are categorised into fixed commercial time (FCT) and non-fixed commercial time (Non-FCT). FCT is the on-air advertisement inventory and non-FCT includes content integration, sponsorship, revenue from local, regional, national promotional events.

We have also created an in-house creative client solutions team, namely, 'AudaCITY' to provide customised advertising solutions across on-

**32 MILLION**  
LISTENERSHIP\*

\*Source: Lasopi & PurpleStream

ground, on-air and digital media at different locations to address the needs of our advertisers. We have an advertiser base of over 4,634 in FY 2016-17.

Our contribution from national clients aggregated to approximately 55% of our revenue from operations and our contribution from local clients aggregated to 45% of our revenues from operations in FY 2016-17.

Radio City has seen a CAGR in advertising volume of around 12.1% over a five-year period (leading to 2016-17).



**OUR MUSIC ATTRACTS THE RIGHT TARGET AUDIENCE TO PRODUCE THE BEST OUTCOMES FOR OUR ADVERTISERS. THE PROGRAMMES ARE DESIGNED TO TARGET AUDIENCES FROM THE AGE GROUP OF 12 AND ABOVE. CURRENTLY, OUR CORE TARGET GROUP RANGES BETWEEN 25 AND 44.**

### STRATEGIC TIME SLOTS

We play well-researched and mood mapped music to suit the needs of the audience across various time bands. We play peppy music in the morning show (7am - 11am) across the nation to enthuse our listeners. In the mid-morning show (11am - 2pm), upbeat music with a tinge of humour adds flavour to the music on Radio City. In the afternoon (2pm - 5pm), soothing, romantic songs entertain audiences, while for the evening show (5pm - 9pm), we focus on humour and entertainment to lighten the listener's mood. In the night show (9pm - 12 am), we play soothing songs, conversations between listeners and RJs.

### LOCAL FLAVOUR

Taking ahead our brand philosophy Rag Rag Mein Daude City, we create customised and localised content that caters to our local audiences also by playing contemporary music in the regional language along with distinctive city centric stories at our radio stations. For instance, we play Punjabi music in Delhi, Marathi music in our Maharashtra-based radio stations and Tamil music in our radio station in Chennai. Besides, we hire RJs who know the pulse of the city and can converse with listeners in the language of that city. Our RJs also capture news from the film industry and host programmes with the local film industry celebrities. Bollywood content is predominantly aired in all our Hindi speaking markets.

### CONTENT SOURCING

The primary content on our radio stations is music, especially songs from movies. Our content

further includes talk shows, which are developed and recorded in our studio. We play sound recordings that are in the repertoire of Phonographic Performance Limited (PPL) pursuant to the Compulsory Licence. Besides, we play sound recordings that are owned by third-party music production houses, pursuant to respective licensing agreements.

We have entered into licensing agreements with third-party entities, such as T-Series and Zee Music, among others to attain a licence to broadcast sound recordings on our radio stations. These licensing agreements are typically on a non-transferable and non-exclusive basis and for a limited licence period to 'communicate to public'.

These agreements typically have a term of 12 – 36 months and are renewable at the option of the parties and specify the fee we need to pay for broadcasting sound recordings owned by the licensor. For our online web radio's Fun Ka Antenna, we have entered into webcasting agreements with third-party entities, such as Sony Music Entertainment Private Limited, Universal, Saregama, Alpha Digitech, Satyam Audio and Malayala Manorama. We also broadcast sound recordings that are in repertoire of PPL, pursuant to the Compulsory License Order and Compulsory License issued by the Registrar of Copyrights. This Compulsory License is valid till

September 30, 2020 and has been granted in relation to our existing radio stations.

### MAPPING PREFERENCES

We have appointed third-party research agency AZ Research, to track listenership and brand recall at our radio stations. We have subscribed to RAM and AirCheck and appointed agency Ormax Media to help us understand music, content and time-band preferences of our target audience. Then we develop specific content to suit local preferences and target segments in each city. Besides, we have our in-house methodology for researching and screening the music that is played. This helps us to ensure that the quality of music meets the requirements of the targeted audience. Going forward, we will continue to invest in research to cater to changing listener preferences.

LEADERSHIP CREATES ITS OWN LEAGUE

# ENTE MIL GENERA





# ERTAINING LLIONS ACROSS ATIONS



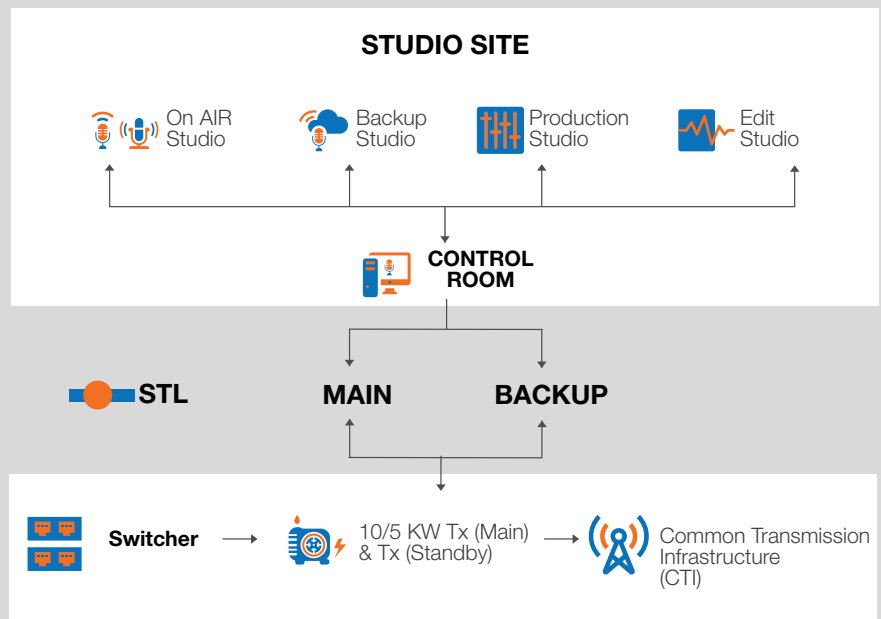


**OUR LISTENERS WANT DIFFERENTIATED PROGRAMMING AND WE HAVE ADOPTED THE LATEST TECHNOLOGY AND BEST-IN-CLASS EQUIPMENT TO CATER TO THEIR REQUIREMENTS. AT THE SAME TIME, WE ALSO RELY ON ADVANCED ANALYTICS TO FULFIL THE ASPIRATIONS OF LISTENER SEGMENTS AND CREATE VALUE FOR OUR ADVERTISERS.**

### STATE-OF-THE-ART INFRASTRUCTURE

We have installed world-class studio and transmitter equipment across all our stations.

Rugged and reliable transmitters from reputed manufacturers Gates Air Inc and Broadcast Electronics for 24x7 operations. State-of-the-art broadcast quality audio consoles from Wheatstone and IP based consoles from Telos. Our audio codecs are manufactured by Worldcast Systems and Telos, and which have built-in redundancy and auto change over features



Note: CTI: Common Transmission Infrastructure | STL: Studio – Transmitter Link



LEADERSHIP CREATES ITS OWN LEAGUE

# UPPING OPERATIONAL MATRIX



## **NETWORKING OF OUR RADIO STATIONS**

We are India's first radio stations to implement a unique networking concept for some of our smaller stations. For instance, our Ahmednagar hub station relays content to Sangli, Sholapur, Jalgoan, Nanded and Akola. In addition, we have also recently implemented networking of stations in states of Punjab, Rajasthan and Jharkhand successfully.

## **PROGRAMMING MIX AND MOOD MAPPING**

Content mix is integral to our radio programming. In every city, there is a section of the population who prefer a certain type of music. Thus, we will continue to further segment the markets we operate in, using mood mapping, depending on the audience being targeted.



## CULTURE, THE INVISIBLE DIFFERENTIATOR FOR PROFITABILITY

**WE FOCUS ON BRINGING ON BOARD THE RIGHT MIX OF TALENT TO ENHANCE OUR POTENTIAL. WE ALSO EMPOWER OUR TEAM THROUGH MULTIPLE TRAINING INTERVENTIONS AND PROVIDE THEM WITH VARIOUS GROWTH OPPORTUNITIES TO BUILD A ROBUST PIPELINE OF FUTURE-FOCUSED LEADERS.**

### RECRUITMENT AND SELECTION

Recruitment is the backbone of our human resource function. It plays a vital role in attracting the right talent. We have a systematic and rigorous recruitment process that ensures we hire candidates with the 'Radio City attitude' and right functional skill sets. Besides, the process ensures that only the right candidate is hired for the right position. We recruit people through campus, Radio City School of Broadcasting, advertisements on social media, community areas, job portals, external databases, and employee referrals. We administer several functional and psychometric tests, along with reference checks before we hire any candidate. Post recruitment, all new joiners go through a 'Tune In' induction programme.

#### Mentor – Mentee programme

'Get into the Groove' is a 45-day programme, where our management trainees have to make at least two-three sales calls under the guidance of a mentor. The trainees attend a full day of programming and other important functions before they start their market research project. It has been extended further to all recruits at a junior level. All incoming management trainees are associated with a mentor, who can handhold and guide them according to the Radio City culture.

### EMPLOYEE MOTIVATION

We have designed several employee motivation programmes to reinforce our values, mission and vision. We have a robust rewards and recognition programme that includes schemes like Sher of the Month, City Ka Sitara, Cheers to Peers, Stories of Excellence.

#### Cheers to Peers

This is an initiative to strengthen employee relationships and promote the culture of trust and camaraderie. At Radio City, we recognise a colleague who has helped an employee when he/she was struggling to complete an assignment. Employees present Cheers to Peers card to his/her colleague who extended the help needed. It is part of the 'Fun Thursday activity'. The programme has strengthened the employee relationships across departments and increased collaboration between functions.





# India's Best Companies To Work For 2017

A STUDY BY

## THE ECONOMIC TIMES

GREAT PLACE TO WORK®

### EMPLOYEE ENGAGEMENT

We engage with our people through various initiatives like review meets, training programmes (Knowledge sharing and Digi Evangelist session for Sales and Programming, Advance Excel and so on). We further use networking opportunities (Women@work), town hall, zonal meet, zonal weekly dashboard and so on to enhance engagement of employees.

### WORK-LIFE BALANCE

We enable our people to maintain their work and personal commitments effectively with flexi time policy. Employees can select their work-time options and inform their Reporting Officer and HR. Moreover, we allow our team members to work from home to manage personal exigencies.

Additionally, we promote healthy living through Fitness Frequency that involves Radio City employees in various fitness- and health-related programmes like health check-ups, meditation and more. We also celebrate various festivals at our premises.

### GREAT PLACES TO WORK

We have been participating in Great Place To Work Survey since 2011 and have been No.1 in media industry consecutively for 3 years i.e. in 2013, 2014 and 2015. We celebrate this success across the organisation by gifting personalised items to all employees. Gifts may include pen drive, cushions, and power bank, among others.

Radio City has been participating in Great Places to Work survey conducted by Economic Times since 2011 and have been one of the leading companies amongst the Media industry since then

The rank as an organisation and for the categories we participated in Great Places to Work 2017 are as below:

- Amongst Top 50 in Great Places to Work
- Amongst leaders in Media Industry



## BE THE CHANGE

**AS A RESPONSIBLE CORPORATE CITIZEN, WE AT RADIO CITY STRIVE TO GIVE BACK TO SOCIETY. OUR CORPORATE SOCIAL RESPONSIBILITY IS FOCUSED ON SUPPORTING A SCHOOL FOR THE VISUALLY CHALLENGED AND AN ORPHANAGE. BESIDES, WE ENCOURAGE OUR PEOPLE TO PARTICIPATE IN 'BE THE CHANGE' CSR ACTIVITY AMPLIFYING OUR VISION TO 'MAKE LIFE MORE ENTERTAINING' EVEN FOR THOSE WHO ARE GENERALLY DEVOID OF SUCH PLEASURES IN LIFE.**



### **SCHOOL FOR VISUALLY CHALLENGED AND ORPHANAGE**

We have been supporting schools for the visually challenged and orphanages by helping them develop infrastructure and provide education. In FY17, we contributed 79.51 Lakhs to 16 NGO. This has enabled us to help hundreds of children enhance their quality of life.

In FY 2016-17, we rolled out support for the visually challenged and orphanage livelihood in 13 cities. This project has been funded by 2% of the Company's profit for the last three years.

### **BE THE CHANGE**

This is an initiative by our employees to support various causes. Some of the key highlights of this programme are employees donating daily essentials, sponsoring snacks and gifts for NGO's, organising programmes like singing and drawing competition for children and so on.

### **PROGRAMMING-LED COMMUNITY INITIATIVES**

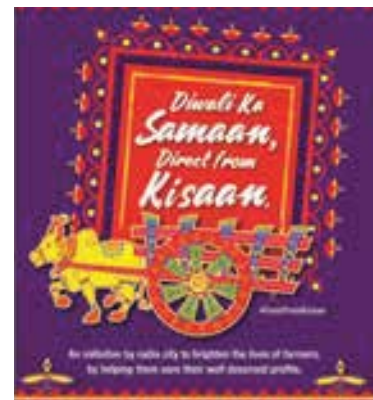
Radio is a low-cost medium that reaches millions of people at one go. Through extensive strategic programming, this powerful medium can be used to generate awareness, and bring about desired changes in the society. At Radio

# 11

ORPHANAGES

# 5

NGOs





City, we aimed to follow this philosophy and created path-breaking content during the year under review.

#### Candy Class

With an innovative approach, we partnered with cycle candy vendors to create pop-up English schools across Mumbai slums like Dharavi. Candy vendors on bicycles who visited slums daily were incentivised to participate. They were provided FM receivers and megaphones, and were requested to park their cycles in specific localities every week at a certain time. During these time bands, our station aired specially-designed lessons on spoken English. The candyman simply had to tune in to Radio City on FM receivers at the designated time slot, which played the on-air English lesson. Every child who sat through it was handed a candy. Candy Class won an international award-Grand Prix at the Spikes Asia 2016.

#### Suraksha Bandhan

Radio City 91.1FM in Delhi launched an initiative Suraksha Bandhan, where RJ Ginnie on her morning show Suno Na Dilli asked people who they wanted suraksha from, for either pot holed roads or incomplete projects. Radio City got thousands of calls from listeners for the same that highlighted the issues they faced in the city. Radio City enlisted the help of the local authorities to resolving the issue and helping delhiites for repairing broken water lines. The campaign garnered tremendous success with multiple city-centric pain points coming to limelight and highlighted the brand ideology of Rag Rag mein Daude City and City ke Kone Kone Se.



#### Diwali ka saaman Direct from Kisaan

We celebrated the festival of lights by bringing joy to the farmers of Maharashtra through this social initiative 'Diwali Ka Samaan Direct from Kisaan'. This served as a platform to urge listeners to buy products directly from farmers, to increase profits for the cultivator. Chief Minister of Maharashtra Mr. Devendra Fadnavis extended his support for the initiative along with several Bollywood celebrities like Ajay Devgn, Ranbir Kapoor, and Soha Ali Khan, among others.

#### Studio Ratha

Radio City Studio Ratha is Radio City's annual celebration that marks the festival of Dussehra every year in Bangalore. This year Radio City celebrated the 5<sup>th</sup> year of 'Studio Ratha' for Dussehra in full zeal with all Bangaloreans and their beloved celebrities. The one of its kind on-ground event initiated by Radio City, took a stunning center ornamented like a real life 'Ratha' around different parts of the city. Radio City RJ's and celebrities every morning went LIVE from the Studio Ratha at different locations interacting with listeners and fans around the city. Last year, Radio City Studio Ratha witnessed an overwhelming response of over 4 lac attendees.





## BOARD OF DIRECTORS



**MR. VIJAY TANDON**

Non-Executive Chairman (Independent)



**MS. APURVA PUROHIT**

Non-Executive Director



**MR. MADHUKAR KAMATH**

Non-Executive Independent Director



**MR. ANUJ PURI**

Non-Executive Independent Director



**MR. RAHUL GUPTA**

Non-Executive Director



**MR. SAMEER GUPTA**

Non-Executive Director

## AWARDS AND RECOGNITION

39 CITIES | 12 STATES  
1 UNIVERSAL TUNE

RAG RAG MEIN  
DAUDE CITY.



# THE SPIRIT OF WINNING RUNS IN OUR VEINS.

RADIO CITY & MANTRA SWEEP  
THE AWARDS SEASON, 2016.

31 AWARDS INCLUDING NEW YORK FESTIVAL,  
GOLDEN MIKES, IRF &

## GRAND PRIX (SPIKES ASIA)

FOR THE 1<sup>ST</sup> TIME.





# VOICE OF THE CITY

**RJ GAURAV**  
Mumbai



**RJ AKHIL**  
Kanpur



**RJ SALIL  
RJ ARCHANA**  
Mumbai



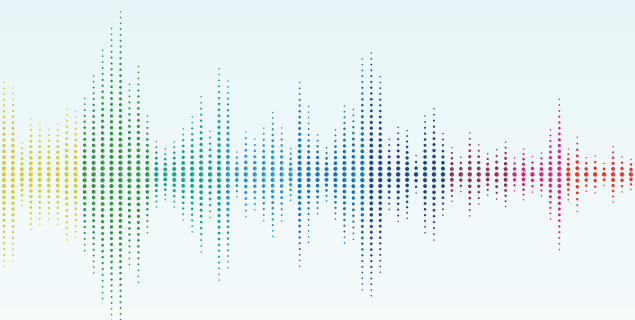
**RJ SOWJANYA**  
Bangalore



**RJ JANAVI**  
Vadodara



**RJ PRADEEPA**  
Bangalore







**RJ GINNIE**  
Delhi



**RJ DIVYA**  
Delhi



**RJ HARSHAL**  
Ahmedabad



**RJ SHIV**  
Hyderabad



**RJ SUDEPTA**  
Jaipur



**RJ SHONALI**  
Pune





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Vijay Tandon

[DIN: 00156305]

Non-Executive Independent Chairman

### Mr. Anuj Puri

[DIN: 00048386]

Non-Executive Independent Director

### Mr. Madhukar Kamath

[DIN: 00230316]

Non-Executive Independent Director

*(w.e.f. May 25, 2017)*

### Ms. Apurva Purohit

[DIN: 00190097]

Non-Executive Director

### Mr. Sameer Gupta

[DIN: 00038353]

Non-Executive Director

### Mr. Rahul Gupta

[DIN: 00359182]

Non-Executive Director

## KEY MANAGERIAL PERSONNEL

### Mr. Abraham Thomas

Chief Executive Officer

### Mr. Prashant Domadia

Chief Financial Officer

### Mr. Chirag Bagadia

Company Secretary & Compliance Officer

## AUDIT COMMITTEE

Mr. Vijay Tandon – Chairman

Mr. Anuj Puri

Mr. Madhukar Kamath *[w.e.f. May 25, 2017]*

Ms. Apurva Purohit

## NOMINATION & REMUNERATION COMMITTEE

Mr. Anuj Puri – Chairman

Mr. Vijay Tandon

Ms. Apurva Purohit

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Apurva Purohit – Chairperson

Mr. Anuj Puri

Mr. Rahul Gupta

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Apurva Purohit – Chairperson

Mr. Sameer Gupta

Mr. Rahul Gupta

## STATUTORY AUDITORS

**M/s. Price Waterhouse Chartered Accountants LLP**

[FRN: 012754N / N500016]

## INTERNAL AUDITORS

**KPMG**

## PRINCIPAL BANKER

**HDFC Bank Limited**

## DEBENTURE TRUSTEE

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

## REGISTRAR & SHARE TRANSFER AGENT

**Karvy Computershare Pvt. Ltd**

[For Equity Shares]

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032

## Alankit Assignments Limited

[For Non-Convertible Debentures]

Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055

## REGISTERED OFFICE

5<sup>th</sup> Floor, RNA Corporate Park, Off. Western Express Highway, Kalanagar, Bandra [East], Mumbai – 400 051

Tel : +91 22 66969100

Fax : +91 22 26429118

E-mail : investor@myradiocity.com

CIN : L64200MH1999PLC137729



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## DIRECTORS' REPORT

The Directors of the Company are pleased to submit their Eighteenth Annual Report together with the Audited Accounts statements for the financial year ended 31<sup>st</sup> March 2017.

### 1. FINANCIAL RESULTS

The summarised financial results of the Company for the financial year ended March 31, 2017 as compared to the previous year were as under:

(₹ in Lakhs)		
Particulars	F.Y. 2016-17	F.Y. 2015-16
Income		
Revenue from Advertisement	27,141.61	22,547.66
Other Income	443.65	1,474.82
<b>Total Income</b>	<b>27,585.26</b>	<b>24,022.48</b>
Expenditure		
Administration & other expenses	18,016.41	14,733.85
Interest	1,901.32	2,066.08
Depreciation and amortization expenses	1,967.69	1,672.33
<b>Total Expenditure</b>	<b>21,885.42</b>	<b>18,472.26</b>
<b>Profit before Exceptional items and Tax</b>	<b>5,699.84</b>	<b>5,550.22</b>
Less : Exceptional items	0.00	1,357.50
<b>Profit/(Loss) for the year before tax</b>	<b>5,699.84</b>	<b>4,192.72</b>
Less: Current Tax	1,357.70	1,358.46
Add: MAT Credit Entitlement	-1,357.70	-1,358.46
Deferred Tax expense	698.87	72.01
<b>Profit for the year</b>	<b>3,665.91</b>	<b>2,762.25</b>
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of post-employment benefit obligations	-170.17	-51.98
Add : Income tax relating to these items	58.89	17.99
<b>Other comprehensive income for the year, net of tax</b>	<b>-111.28</b>	<b>-33.99</b>
<b>Total comprehensive income for the year</b>	<b>3,554.63</b>	<b>2,728.26</b>
Add: (Loss) brought forward	-12,715.73	-13,735.67
<b>Less: Transfer to Debenture Redemption Reserve</b>	<b>1,851.74</b>	<b>1,708.33</b>
<b>Loss carried to Balance Sheet</b>	<b>-11,012.84</b>	<b>-12,715.73</b>

### 2. FINANCIAL HIGHLIGHTS

During the year 2016-17, the Company recorded growth of 20.37% in revenue from operations, 20.65% in PBIDT and 32.71% growth in Net Profit respectively.

For a detailed analysis of financial performance of the Company for the year under review, refer to report on Management Discussion and Analysis ('MD&A').

### 3. INITIAL PUBLIC OFFER ("IPO")

The Board of Directors of the Company are pleased to inform that during the year under review, the Company has completed its highly successful Initial Public Offer (IPO) and received overwhelming response for the same,

with an oversubscription of about 40 times, which was a remarkable milestone for the Company, since it was the first IPO by a Radio Company in past 11 years.

The equity shares of the Company were listed on both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from March 17, 2017.

Initial Public Offering (IPO) of Company comprised of a fresh issue of 12,012,012 equity shares and an offer for sale of 2,658,518 equity shares by selling shareholders for ₹ 333/- per equity share (inclusive of premium of ₹ 323/- per share).

**Issue Details:**

<b>Issue Open:</b>	From March 06, 2017 - To March 08, 2017
<b>Issue Type:</b>	Book Built Issue IPO
<b>Issue Size:</b>	14,670,530 Equity Shares of ₹ 10/- aggregating up to ₹ 4000 million
<b>Face Value:</b>	₹ 10/- Per Equity Share
<b>Band Price:</b>	₹ 324/- to ₹ 333/- Per Equity Share
<b>Market Lot for Application:</b>	In multiple of 45 Equity Shares
<b>Listing At:</b>	BSE and NSE
<b>Over subscription:</b>	39.67 times

The Company has incurred expenses of ₹ 1,773.41 lakhs relating to fresh issue of equity shares which has been adjusted to securities premium account pursuant to Section 52 of Companies Act, 2013 ["Act"].

**4. UTILISATION OF IPO PROCEEDS**

The proceeds of the IPO, are being used for redemption of listed NCD's, redemption of NCD's/ ICD's of promoters and general corporate purposes. The unutilised portion thereto has been temporarily deployed in fixed deposit / current deposit with Scheduled Banks.

The summary of utilisation of net IPO proceeds as on March 31, 2017 is given below:

(₹ In Lakhs)			
Object of the Issue as per Prospectus	Projected utilisation of funds as per offer document / prospectus	Utilisation of funds up to March 31, 2017	Unutilised amount as at March 31, 2017
Redemption of the Listed NCD's	20,000.00	5,000.00	15,000.00
Early redemption of the Jagran Prakashan Limited (JPL) NCD's and repayment / pre-payment of JPL ICD's	9,824.00	9,824.00	Nil
General Corporate Purpose	10,176.00	1,699.89	8,476.11

**5. DIVIDEND**

In view of carry forward losses by the Company from previous years, the Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2017.

**6. FIXED DEPOSITS**

The Company has not accepted any deposit from public/ shareholders in accordance with Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

**7. CREDIT RATING**

During the year under review, the Company re-affirmed credit rating of "CRISIL AA/Stable" from CRISIL Limited on its Non-Convertible Debentures (NCD'S) listed with BSE Limited ("BSE").

**8. DETAILS OF DIRECTORS OR KMP'S APPOINTED AND RETIRED DURING THE FINANCIAL YEAR 2016-17****Appointment / Resignation of Directors:**

During the year under review, Mr. Anuj Puri and Mr. Vijay Tandon were appointed as Additional Directors – Independent on May 30, 2016 and November 24, 2016 respectively, as required under the provisions of Section 149 of the Companies Act, 2013. Their appointment as Non-Executive Independent Directors of the Company was regularized by the shareholders at their meeting held on September 12, 2016 and November 25, 2016 respectively to hold office for 5 (five) consecutive years, not liable to retire by rotation.

Mr. Madhukar Kamath was appointed as Additional Director - Independent on May 25, 2017 as per provisions of Section 161 of the Companies Act, 2013. Mr. Kamath, in his capacity as Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment. A notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. Madhukar Kamath's appointment as Director.

**Key Managerial Personnel:**

No KMP(s) has been appointed, retired or resigned during the financial year 2016-17.

**Retirement by Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Sameer Gupta (DIN 00038353), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and the Board recommends his re-appointment.



Brief resume of the director proposed to be reappointed, relevant information including nature of his expertise in specific functional areas, qualifications, terms of appointment, details of remuneration, names of the companies in which he holds directorships and the memberships/chairmanships of Committees of the Board, his shareholding in the Company, etc., as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standards have been furnished separately in the Notice convening the AGM read with the Annexures thereto forming part of this Report.

## 9. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The Company has received the declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149 and all other applicable provisions of the Act stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become directors under the Act; and in the opinion of the Board of Directors, all the Independent Directors fulfil the criteria of independence as provided under the Act, rules made thereunder, read with the Listing Regulations and that they are independent of the management.

## 10. ANNUAL EVALUATION OF BOARD OF ITS OWN PERFORMANCE, OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 and Regulations 17 to 20 of Listing Regulations mandates performance evaluation of all the Directors including Chairman, Board and its Committees. The Company has established a framework for performance evaluation in line with the applicable regulatory provisions.

The Independent Directors reviewed the performance of non-independent Directors, the Chairman and the Board. The Nomination & Remuneration Committee evaluated the performance of the Independent Directors, Non-Independent Directors and the Chairman of the Company. Structured questionnaires as approved by the Nomination & Remuneration Committee were used by reviewers to assess

- i. Board Effectiveness,
- ii. Evaluation of Non-independent Directors,
- iii. Evaluation of Independent Directors,
- iv. Evaluation of Committees (Audit, Nomination & Remuneration and Corporate Social Responsibility) and
- v. Evaluation of Chairman.

The Board uses the results of evaluation process to improve its effectiveness in the interest of the Company.

## 11. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Upon appointment of a new Independent Director, the Company issues a formal letter of appointment which inter alia sets out in detail, the terms and conditions of appointment, their duties, responsibilities and expected time commitments, amongst others. The terms and conditions of their appointment are disclosed on the website of the Company.

The Board members are provided with the necessary documents, presentation, reports and policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the meetings of Board and its Committees, on Company's performance. Detailed presentations on the Company's businesses and updates on relevant statutory changes and important laws are also given in the meetings.

The details of familiarization program for Directors are posted on the Company's website [www.planetradiocity.com](http://www.planetradiocity.com) (web link: <http://www.planetradiocity.com/images/about-us/presscoverageimg/Orientation%20and%20Familiarisation%20Programme%20for%20ID%20-%20MBL1491476557.pdf>)

## 12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (3) of the Companies Act, 2013 and Regulation 19 (4) (Part 'D' of Schedule II) of Listing Regulations is appended as Annexure – I to this Report.

## 13. COMMITTEES OF BOARD

The Company has constituted various Committees of the Board in accordance with the requirements of Listing Regulations, namely, Audit, Nomination & Remuneration, Stakeholder Relationship and Corporate Social Responsibility which have been established in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details with respect to the composition, powers, roles, terms of reference, policies etc. of relevant Committees are given in the 'Report on Corporate Governance'.

## 14. MEETINGS OF THE BOARD & ITS COMMITTEES

9 (Nine) meetings of the Board of Directors were held during the year under review.



For further details, please refer to Report on Corporate Governance.

### 15. CORPORATE GOVERNANCE

The Company has been practicing the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A Report on Corporate Governance as stipulated under Regulations 17 to 27 of Listing Regulations is set out separately and forms part of the Annual Report.

The Company has been in compliance with all the norms of Corporate Governance as stipulated in Regulations 17 to 27 of Listing Regulations.

### 16. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 of Listing Regulations is set out separately and forms part of the Annual Report.

### 17. INSURANCE

All the existing assets of the Company are adequately insured against loss of fire, riot, earthquake, floods etc. and such other risks which are being considered as threats to the Company's assets by the Management of the Company.

### 18. CODE OF CONDUCT

As prescribed under Part 'D' of Schedule V read with Regulation 17 (5) of the Listing Regulations, a declaration signed by the Chairman affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the Financial Year 2016-2017 is annexed to and forms part of the Corporate Governance Report.

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

During the year, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

### 20. CHANGES IN STRUCTURE OF SHARE CAPITAL, IF ANY

During the year under review, the Authorized Share Capital of the Company was increased from ₹ 46,05,00,000/- (Rupees Forty Six Crores Five Lacs only) to ₹ 67,05,00,000/- (Rupees Sixty Seven Crores Five Lacs only) effective from November 25, 2016.

Pursuant to approval of the Composite Scheme of Arrangement, the Company has allotted 31,25,000 fresh Equity Shares of ₹ 10/- each on November 24, 2016.

Further, during the Initial public Offer ("IPO"), 1,20,12,012 fresh Equity Shares of ₹ 10/- each were allotted on March 15, 2017. All the above mentioned shares ranked pari passu with the existing Equity shares of the Company, thus increasing the paid up equity share capital of the Company from ₹ 41,91,77,670/- to ₹ 57,05,47,790/-.

### 21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company (ies) for the year under review.

### 22. APPROVAL OF COMPOSITE SCHEME OF ARRANGEMENT BY THE RESPECTIVE HIGH COURTS

The Composite scheme of arrangement (the "Scheme") for amalgamation of Crystal Sound and Music Private Limited ("Crystal") and Spectrum Broadcast Holdings Private Limited ("Spectrum") with Jagran Prakashan Limited ("JPL" or "Amalgamated Company"), and the demerger of radio business undertaking of Shri Puran Multimedia Limited ("Demerged Company") into Music Broadcast Limited ("Company") was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its Order dated September 22, 2016 and the Hon'ble High Court of Judicature at Bombay vide its Order dated October 27, 2016. Subsequently approval from Ministry of Information & Broadcasting ("MIB") was received on November 18, 2016. The Scheme came into effect on November 18, 2016, which was the date on which a certified copy of the order of the Hon'ble High Court of Bombay and Hon'ble High Court of Allahabad sanctioning the Scheme was filed with the Registrar of Companies, Mumbai and the Registrar of Companies, Kanpur.

In terms of the Scheme, all properties, assets (including statutory licenses and permits), rights and liabilities forming part of the radio business undertaking of Demerged Company, as well all employees engaged in such business, were transferred to and vested in favour of the Company. Additionally, the Company substituted Demerged Company in all contracts and legal proceedings pertaining to the radio business undertaking. Additionally, in terms of the Scheme, the entire business and undertaking of Spectrum and Crystal, including all properties, assets (including statutory licenses and permits), rights and liabilities of Spectrum and Crystal, were transferred to and vested in favour of JPL.

As consideration for the radio business undertaking of Demerged Company transferred to the Company, the shareholders of Demerged Company were allotted 10 fully paid up equity shares of face value of ₹10/- each of the Company for every 112 equity shares of Demerged Company held by them.



### 23. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year ended March 31, 2017 is appended as ANNEXURE-II to this Report.

### 24. RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered into by the Company during the financial year under review with related parties were at arm's length basis and 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 related parties, which may have any potential conflict with the interest of the Company.

All such related party transactions are placed before the Audit Committee for approval, wherever applicable.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the relevant details of such transactions

Since all related party transactions entered by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 as prescribed pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

The details of the transactions with related parties are provided in Note No 26 to the Financial Statements.

### 25. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls in place with reference to financial statements. During the year under review, such controls were adequately tested and no reportable material weakness in the process or operations were observed.

### 26. INTERNAL AUDITOR

During the year under review, the Internal Audit was carried out by M/s KPMG. The scope of work and authority of the Internal Auditor is as per the terms of reference approved by Audit Committee. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observation and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### 27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments within

the meaning of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements for the year under review.

### 28. RISK MANAGEMENT POLICY AND IDENTIFICATION OF KEY RISKS

The management of the Company has framed risk management policy and identified the key risks to the business and its existence. There are no risks identified that may threaten the existence of the Company. For major risks, please refer to the section titled 'Risks and Concerns' in report on Management Discussion and Analysis.

Since the Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year, compliance under Regulation 21 of Listing Regulations is not applicable.

### 29. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The CSR policy may be accessed on the Company's website [www.planetradiocity.com](http://www.planetradiocity.com) (web link <http://www.planetradiocity.com/images/about-us/presscoverageimg/Corporate%20Social%20Responsibility%20Policy%20-%20MBL1491476602.pdf>)

The Committee comprises of Mr. Anuj Puri, Chairman, Mr. Rahul Gupta and Ms. Apurva Purohit as Members.

The Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as Annexure III to this Report.

### 30. ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM

The Company promotes ethical behaviour in all its business activities and is in line with the best practices for adhering to highest standards of corporate governance. It has established a system through which directors & employees may report breach of code of conduct including code of conduct for insider trading, unethical business practices, illegality, fraud or corruption, etc. at work place without any fear of reprisal.

The Company has established a whistle blower mechanism for the directors and employees. The functioning of the





Vigil mechanism is reviewed by the Audit Committee from time to time. None of the employees/directors has been denied access to the Audit Committee. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and also available on the website of the Company at [www.planetradiocity.com](http://www.planetradiocity.com) (web link <http://www.planetradiocity.com/images/about-us/presscoverageimg/Vigil%20Machanism%20Policy%20-%20MBL1491476623.pdf>)

During the Financial Year 2016-2017, there was no complaint reported by any Director or employee of the Company under this mechanism.

### 31. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, the directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- the directors had 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 and of the profit and loss of the Company at the end of the financial year;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are operating effectively.

### 32. SECRETARIAL AUDIT

Pursuant to the provisions of section 204(1) of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Deepak Rane, Company Secretary in practice, Mumbai for conducting the Secretarial Audit of the Company for the financial year 2016-17 and furnish his report to the Board.

The Secretarial Audit Report forms part of this Report as Annexure IV. There are no qualifications or observations or other remarks made by the Secretarial Auditor on the audit conducted by him in his Report for the year under review.

### 33. COST AUDIT

The Board of Directors, on recommendation of the Audit Committee and pursuant to Section 148 and all other applicable provisions of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), has approved the appointment and remuneration of the Cost Auditors, M/s Kishor Bhatia and Associates, Cost Accountants, Mumbai, (Firm Registration No. 00294) to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2018. The aforesaid appointment of M/s Kishor Bhatia and Associates, is subject to the relevant notifications, orders, rules, circulars, etc. issued by the Ministry of Corporate Affairs and other regulatory authorities from time to time.

The remuneration payable to M/s Kishor Bhatia and Associates, Cost Accountants, (Firm Registration No. 00294) shall be ₹ 60,000/- (Rupees Sixty Thousand only) plus out of pocket expenses and applicable taxes for the aforesaid audit. The remuneration payable to the Cost Auditors is required to be ratified subsequently by the shareholders. Accordingly, consent of the members has been sought for passing the resolution as set out at Item No. 4 of the Notice convening the AGM for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2018.

The Cost Audit Report for the financial year 2015-16 was filed on August 10, 2016 with Ministry of Corporate Affairs and the Cost Audit Report for the financial year 2016-17 will be filed on or before the due date.

### 34. STATUTORY AUDITOR

At the 16<sup>th</sup> AGM held on September 07, 2015, the Members of the Company had approved the appointment of M/s. Price Waterhouse Chartered Accountant LLP (FRN: 012754N / N500016) as the Statutory Auditors of the Company to hold the office from the conclusion of the 16<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of 21<sup>st</sup> AGM of the Company. As per the provisions of Section 139 of the Act, the Company shall place the matter relating to such appointment for ratification by members at every AGM. Accordingly, the appointment of M/s. Price Waterhouse Chartered Accountant LLP (FRN: 012754N / N500016), as the statutory auditors of the Company is placed for ratification by the members of the Company.

M/s. Price Waterhouse Chartered Accountant LLP (FRN: 012754N / N500016) have furnished a certificate in terms of the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of Section 141 of the Companies Act, 2013.



There are no qualifications or adverse comments in the Auditor's Report, needing explanation. The Statutory Auditors have not reported any incident of fraud to the Audit Committee in the year under review.

### 35. OTHER DISCLOSURES

- During the year under review, no securities (including sweat equity shares) were issued to employees of the Company under any scheme.
- No orders were passed by any of the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- During the year under review, there were no changes in nature of business of the Company.

### 36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION

The Board reports that no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of Company and the date hereof.

### 37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is in the business of Private FM Radio Broadcasting. Hence, most of the information required to be provided relating to the Conservation of energy and Technology absorption is not applicable. However the information, as applicable, is given hereunder:

#### Conservation of Energy

Though, the operations of the Company are not energy intensive. Nevertheless, continuous efforts such as installation and up gradation of energy efficient electronic devices aimed at reducing energy consumption are being made by the Company and its employees to reduce the wastage of scarce energy resources.

#### Technology Absorption, Adaptation and Innovation

The Company has not imported any specific technology for its broadcasting, although it uses advanced mechanism including transmitters, Cummins etc. which are handled by the Company's in-house technical team. The Company uses the latest equipment in broadcasting its programs. The outdated technologies are constantly identified and updated with latest innovations.

#### Foreign Exchange Earnings and Outgo

The details of earnings and outgo in foreign exchanges are as under:

Particulars	₹ In Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Exchange earned	7.04	14.07
Foreign Exchange outgo		
I. Capital Expenses	812.47	6.07
II. Other Expenses	27.48	5.18
<b>TOTAL</b>	<b>839.95</b>	<b>11.25</b>

### 38. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 of the Companies Act, 2013 ('Act') read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in the said Rules are provided in Annexure V to the Directors' Report. In terms of Section 136 of the Act, the same is open for inspection at the registered office of the Company on all working days between 11:00 a.m. and 1:00 p.m. up to the date of AGM. Members interested in obtaining the same may write to the Company Secretary.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure – V of this Report

### 39. HUMAN RESOURCES

Human resource is a key asset capital and an important business driver for the Company's sustained growth and profitability. The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

The well-disciplined workforce which has served the Company for over a decade lies at the very foundation of the Company's major achievements and shall continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

### 40. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013



The Company has always been committed to provide a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Company has also constituted an Internal Complaints Committee (ICC) to redress the complaints received under this policy.

During the financial year under review, two complaints pertaining to sexual harassment were reported to the ICC of the Company. After detailed investigation and following due procedure under the applicable laws, guidelines and regulations, the said two complaints were appropriately dealt with during the financial year under review and appropriate action was taken.

#### 41. CAUTIONARY STATEMENTS

Statements in this report, particularly those which relate to MD&A, describing the Company's objectives, estimates and expectation may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

#### 42. ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation for the co-operation and assistance received

from shareholders, debenture holders, debenture trustee, bankers, financial institutions, Credit Rating Agency, Depositories, Stock Exchanges, Registrar and Share Transfer Agents, regulatory bodies and other business constituents during the year under review.

The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the board of directors of  
Music Broadcast Limited**

**Date:** May 25, 2017

**Place:** Mumbai

**Vijay Tandon**

Chairman

**Registered Office:**

5<sup>th</sup> Floor, RNA Corporate Park,  
Off Western Express Highway,  
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Tel: +91 22 66969100, Fax: +91 22 26429118  
E-mail: investor@myradiocity.com  
Website: www.planetradiocity.com,  
CIN: L64200MH1999PLC137729



# ANNEXURE I

## NOMINATION, REMUNERATION AND EVALUATION POLICY

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel (the “SMP”) of Music Broadcast Limited (the “Company”).

### 1. DEFINITIONS

“**Director**” means a director appointed to the Board of a company;

“**Independent Director**” shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.

“**Key Managerial Personnel (KMP) means—**

- i. Chairman & Managing Director;
- ii. Whole-time Director;
- iii. Chief Executive Officer;
- iv. Chief Financial Officer;
- v. Company Secretary; and
- vi. Such other Officer as may be prescribed.

“**Managing Director**” means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

The term “**Senior Management Personnel**” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Board of Directors, including the functional heads. In reference to the company, the senior management personnel would refer to personnel occupying the positions identified in Annexure A; as per the organizational framework of the Company

“**Whole-time director**” includes a director in the whole-time employment of the company;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules and the Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other relevant provisions; as may be applicable.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.

### 2. PURPOSE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management Personnel. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

**The objectives of the policy thus would be:-**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial and Senior Management Personnel and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To establish framework for evaluation of the performance of Directors including Independent Directors, Committees and Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity

### 3. ACCOUNTABILITIES

- The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- The Board has delegated responsibility for assessing and recommending the candidates for the role of Directors, Key Managerial Personnel and laying down the criteria for selection of the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations to the Board.



#### 4. NOMINATION AND REMUNERATION COMMITTEE – COMPOSITION & STRUCTURE

The Nomination and Remuneration Committee comprises the following:

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

##### CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee meeting or any other person authorized by him shall be present at the Annual General Meeting. The Chairman may also nominate some other member to answer the shareholders' queries.

##### COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

##### VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### 5. NOMINATION AND REMUNERATION COMMITTEE – RESPONSIBILITY

The Nomination and Remuneration Committee is responsible for:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually and making recommendations on any

proposed changes to the Board to complement the Company's corporate strategy.

- identifying individuals suitably qualified to be appointed as the Executive Directors, Independent Directors and the KMPs and Senior Management Personnel for the Company;
- recommending to the Board on the selection of individuals nominated for directorship;
- formulating the criteria for determining qualification, positive attributes and recommending to the Board a policy relating to the remuneration for Executive Directors, Key Managerial Personnel and other employees.
- assessing the independence of independent directors, so as to ensure that the individual meets with the requirement prescribed under the Companies Act, 2013 read with Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act, 2013 and Rules thereunder.
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract
- to devise a policy on Board diversity;
- to develop a succession plan for the Board and to regularly review the plan;
- lay down criteria for evaluation of the individual Directors, Committees and Board as a whole.

#### 6. POSITIVE ATTRIBUTES AND QUALIFICATIONS OF DIRECTORS/KMPS/SENIOR MANAGEMENT PERSONNEL

When recommending a candidate for appointment, the Nomination and Remuneration Committee will have regard to the following qualifications and positive attributes:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of KMPs and Senior Management Personnel their contribution towards effectiveness of the organization as a whole would be considered ;
- the nature of existing positions held by the appointee including directorships or other relationships and the



impact they may have on the appointee's ability to exercise independent judgment;

- ability of the appointee to represent the company
- ability to work individually as well as a member of the Board and senior management
- influential communicator with power to convince other in a positive way;
- ability to participate actively in deliberation and group processes;
- have strategic thinking and facilitation skills;
- act impartially keeping in mind the interest of the company on priority basis;
- Personal specifications:
  - Educational qualification;
  - Experience of management in a diverse organization;
  - Interpersonal, communication and representational skills;
  - Demonstrable leadership skills;
  - Commitment to high standards of ethics, personal integrity and probity;
  - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;

## 7. INDEPENDENCE OF A DIRECTOR

The key role of an Independent Director is to provide an unbiased, varied and experienced perspective to the Board. While evaluating the candidature of a Director, the committee abides by the criteria for determining Independence as stipulated under Companies Act, 2013, Listing Agreements and other applicable regulations or guidelines.

The committee takes a broad perspective with respect to Independence and takes into consideration not only the dealings, transactions, relationships with the concerned Individual Director but also with relatives, entities and organizations affiliated to it.

The Committee, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, technology, governance and areas that are relevant for the company.

Besides considering all other qualifications w.r.t to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions

of a Director as enshrined in the Companies Act, 2013 and Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 8. BOARD DIVERSITY

The Board shall consist of such number of Directors including at least one woman Director as is necessary to effectively manage the Company of the size of Music Broadcast Limited. The Board shall have an appropriate combination of executive and Independent Directors.

The Nomination & Remuneration Committee will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The Company believes that increased diversity in Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

## 9. LETTERS OF APPOINTMENT

Each Director including Executive Directors, Independent Directors and the KMPs, Senior Management Personnel are required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

The term/tenure of the Directors including Executive Directors and Independent Directors shall be in accordance with the applicable laws.

## 10. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The Committee will determine individual remuneration packages for Directors and lay down criteria for deciding upon the remuneration of KMPs and Senior Management of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/ other guidelines. The core factors taken into consideration are:

- Industry Practice and Bench marks;
- Long-term value creation.
- Reward achievement of results on the basis of prudent practice, responsibility and risk taking abilities.
- Attract and retain and motivate the best professionals.
- Reward the experience and professional track record.
- Ensure equity within the Group and competitiveness outside it.
- Ensure transparency in its remuneration policy



#### For Executive Directors (Managing Directors and Whole time Directors)

- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such officer.

#### For Non-Executive Directors

- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.  
Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.
- The sitting fee to the Independent Directors & Woman Director shall not be less than the sitting fee payable to other directors.

#### General:-

- The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- The remuneration payable to Directors shall be subject to the approval of Shareholders, if required, as per the provisions of applicable laws.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

- The company may opt for Directors including independent directors & Officers Liability Insurance, in accordance with the policy.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### For Key Managerial Personnel and Senior Management Personnel

- The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as per the criteria decided by the Committee or as per normal HR process followed by the company having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

#### For other employees

- The policy for determination of the remuneration of employees other than Directors, KMPs and Senior Management personnel shall be as per the normal HR process followed by the Company.

#### Evaluation/ Assessment of Directors of the Company

The committee shall undertake a formal and rigorous annual evaluation of the Board, including its committees and individual directors. The evaluation of performance of the Board shall be independent and objective and should take into account the overall impact of their functioning on the company and its stakeholders. Besides the performance evaluation of individual directors, evaluation of the performance of the committees and the Board as a whole is also required to be conducted. The performance evaluation shall be undertaken on yearly basis, the schedule of which may be laid down by the Committee.

The committee is required to establish mechanism for Performance Evaluation & Assessment of the Directors including the Independent Directors. The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis to cater to the requirements of the Companies Act, 2013 and the requirements of the Listing Agreement. The following criteria may assist in determining how effective the performances of the Directors have been:

- Leadership Qualities Contributing to corporate objectives & plans
- Communication of expectations & concerns clearly with colleagues



- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of organization's ethical conduct

A series of assessment questionnaire to enable such evaluation being conducted shall be finalized by the Committee. Once the assessment is completed, the Committee shall evaluate such assessments. The Company may engage external consultants / agencies to provide assistance in the evaluation process.

#### Performance Review by Independent Directors

In accordance with the mandate given under Companies Act, 2013 & Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors will hold at least one separate meeting without the attendance of non-independent directors and members of management.

The meeting shall:

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

Performance of the respective Committees shall be done by the Board. The performance evaluation shall be undertaken on yearly basis, the schedule of which may be laid down by the Committee.

**For and on behalf of the board of directors of  
Music Broadcast Limited**

**Vijay Tandon**

Chairman

## 12. SUCCESSION PLANNING

The Company recognizes the need of a formal, proactive process which can assist in building a leadership pipeline/ talent pool to ensure continuity of leadership for all critical positions. Succession planning involves assessment of challenges and opportunities facing the company, and an evaluation of skills and expertise that would be required in future.

The nomination and remuneration committee will work with the Board to develop plans and processes for orderly succession to the board and senior management. The Committee shall endeavor to develop a diverse pool of candidates who may be considered to fill the gap in Board positions or senior management in case of any eventuality. The committee would ensure that the Company is prepared for changes in senior management, either planned or unplanned. Succession Planning Process would cover identification of internal candidates, development plans for internal candidates, and identification of external candidates. The Committee would also assist in formulating an emergency succession contingency plan for unforeseen events like death, disability etc. The Board will periodically monitor the review and monitor the succession planning process.

## 13. REVIEW OF THE POLICY

This Policy shall be reviewed by the Nomination and Remuneration committee on annual basis (unless an earlier review is required) to ensure that it meet the requirements of latest market requirements and trends and the Nomination and Remuneration committee shall make recommendations to the Board on required amendments.

### ANNEXURE 'A'

Senior Management position as defined in section 178 of the Companies Act, 2013 (other than KMPs and WTDs):

1. Head Human Resource
2. Chief Operating Officer – Digital Media
3. Executive Vice President and National Head – Programming, Marketing and Audacity
4. Chief Technical Officer
5. Vice President Finance
6. Head Administration and Commercial





## ANNEXURE II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)

A brief outline of the company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

#### POLICY OBJECTIVES:

As a responsible business entity, Music Broadcast Limited ("MBL") takes immense pride in being socially inclined and focuses on sustained and effective Corporate Social Responsibility Projects. We, at MBL, define Corporate Social Responsibility as the way a Company balances its economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder value. During the year under review, the Company undertook CSR activities for Promotion of Education to Visually Impaired and Orphanage Students of various Orphanages and Blind Schools based out at various locations and providing them with better Infrastructure Facilities more particularly as set out herein.

Our employees are also encouraged to volunteer their time and skills and empathize the experience of giving back to the communities in which they work. We hope our efforts make a considerable difference in the society and that the evolution of one's self will see a new light.

#### PRINCIPLES:

The CSR activities of the company will be implemented in accordance with the following principles:

- Business should respect, protect, and make efforts to restore the environment.
- Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- Business should respect and promote human rights.
- Business work should towards equal development of society.
- Business should respect cultural ethnicity and dignity of individuals and foster positive relationship with the people in the areas where the Company operates.
- Business should provide development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.
- Business should endeavor to develop local entrepreneurship and encouraging use of local goods, services and manpower to promote inclusive economic growth of local areas.

#### SCOPE OF CSR ACTIVITIES:

In line with the broad principles defined above, the Company would have freedom and flexibility to choose from any of

the activities specified in Annexure 1. The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of Schedule VII of Companies Act, 2013; as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the Annexure 1 shall be deemed to include/exclude such activities as permissible under law.

The list and implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Company.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits and shall be utilized for CSR activities only.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website [www.planetradiocity.com](http://www.planetradiocity.com) and the web link for the same is <http://www.planetradiocity.com/images/about-us/presscoverageimg/Corporate%20Social%20Responsibility%20Policy%20-%20MBL1491476602.pdf>

#### 1. CSR activities are carried out through:

- a) Contribution/donation made to such organization/ Institutions as may be permitted under the applicable laws from time to time.
- b) Collaboration with other Companies/agencies undertaking projects/programs in CSR activities.
- c) Directly by the Company for fulfilling its responsibilities towards various stakeholders.

#### 2. The Composition of the CSR Committee:

- a) Ms. Apurva Purohit – Chairperson
- b) Mr. Anuj Puri – Member of the Committee
- c) Mr. Rahul Gupta - Member of the Committee

#### 3. Average net profit before tax of the company for last three financial years:– ₹ 39.31 crores

#### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 78.62 Lakhs

#### 5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year 2016-17 – ₹ 79.51 Lakhs.



b) Amount unspent, if any - NIL

c) Manner in which the amount spent during the financial year 2016-17 is detailed below:

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) *Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through *implementing agency
1.	Education support to under privileged children / students along with development of infrastructure at Orphanage.	Promoting Education	Mumbai	9,59,000	9,59,000	9,59,000	Welfare Society for Destitute Children (St. Catherines)
2.	Education Support to blind children / students.	Promoting Education	Mumbai	5,60,000	5,60,000	5,60,000	Happy Home Blind School
3.	Education support to under privileged children/ students	Promoting Education	Pune	1,08,000	1,08,000	1,08,000	Saraswati Anath Shikshan Ashram
4.	Education support to under privileged children/ students	Promoting Education	Ahmedabad	6,20,400	6,20,400	6,20,400	Saath Charitable Trust
5.	Education Support to blind children / students with development of infrastructure at blind school	Promoting Education	Nagpur	1,90,000	1,90,000	1,90,000	Sharddhanand Anathalaya
6.	Education Support to blind children / students with development of infrastructure at blind school	Promoting Education	Delhi	10,03,000	10,03,000	10,03,000	SakshamDaksh School
7.	Education support to under privileged children/ students	Promoting Education	Delhi	6,62,654	6,62,654	6,62,654	Zion Social Welfare Society
8.	Education support to under privileged children / students	Promoting Education	Bangalore	6,24,000	6,24,000	6,24,000	Bangalore Oniyavara Seva Coota (Bosco)
9.	Education support to under privileged children / students along with development of infrastructure at Orphanage.	Promoting Education	Chennai	9,67,624	9,67,624	9,67,624	Seva Chakkara Samajam
10.	Education support to under privileged children/ students	Promoting Education	Lucknow	32,900	32,900	32,900	Chetna



(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) *Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through *implementing agency
11.	Education support to under privileged children/ students	Promoting Education	Hyderabad	1,07,000	1,07,000	1,07,000	Auxilium Navjeevana Society
12.	Education Support to blind children / students.	Promoting Education	Agra	1,80,000	1,80,000	1,80,000	Handicapped Development Council
13.	Education support to under privileged children / students	Promoting Education	Surat	92,560	92,560	92,560	Charlie Help Universe Trust
14.	Education Support to blind children / students with development of infrastructure at blind school	Promoting Education	Baroda	6,41,000	6,41,000	6,41,000	Lions Blind Girls Welfare Center Trust
15.	Education support to under privileged children / students along with development of infrastructure at Orphanage.	Promoting Education	Coimbatore	4,53,500	4,53,500	4,53,500	(Coimbatore Christian Center Trust) Kingskids home
16.	Education support to under privileged children / students along with development of infrastructure at Orphanage.	Promoting Education	Coimbatore	7,50,000	7,50,000	7,50,000	Helping Hearts
<b>TOTAL</b>				<b>79,51,638</b>	<b>79,51,638</b>	<b>79,51,638</b>	

\* Amount has been contributed to the aforesaid entities during the financial year 2016-17 under review.

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – N.A.**

### RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company for the financial year 2016-17.’

For and on behalf of Board

**Mr. Vijay Tandon**  
Chairman

For and on behalf of CSR Committee of Board

**Ms. Apurva Purohit**  
Chairperson of CSR Committee of Board



**ANNEXURE 1 TO DISCLOSURE OF CSR ACTIVITIES  
AS PER REQUIREMENT OF SECTION 135 OF THE COMPANIES ACT, 2013**

- |  |  |
|--|--|
| <p>(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;</p> <p>(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;</p> <p>(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;</p> <p>(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;</p> <p>(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;</p> | <p>(vi) Measures for the benefit of armed forces veterans, war widows and their dependents;</p> <p>(vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;</p> <p>(viii) Contribution to the Prime Minister's National Relief Fund or any other-fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;</p> <p>(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;</p> <p>(x) Rural development projects.</p> <p>(xi) Slum area development.</p> <p>Explanation.— For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.</p> |
|--|--|



## ANNEXURE III

### FORM MGT-9 EXTRACT OF ANNUAL RETURN (AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017)

[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:

1. CIN	L64200MH1999PLC137729
2. Registration Date	November 4, 1999
3. Name of the Company	Music Broadcast Limited
4. Category/Sub-Category of the Company	Public Limited Company/ Limited by Shares
5. Whether listed Company (Yes/No)	Yes, Equity Shares of the Company are listed on BSE Limited & National Stock Exchange of India Limited with effect from March 17, 2017.
6. Address of the Registered Office and contact details	5 <sup>th</sup> Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (E), Mumbai 400051. Tel: +91 22 66969100 Fax: +91 22 26429113
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd; Karvy Selenium Tower B, Plot No 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal; Hyderabad – 500 032, Telangana State, India; Phone: 040 3321 5130

#### 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:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Private FM Radio Broadcasting	60100	99.00 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS AT MARCH 31, 2017:

Sr. No	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Sections
1.	Jagran Prakashan Limited	L22219UP1975PLC004147	Holding Company	70.58 %	2 (46)



## ANNEXURE III

### IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding as on March 31, 2017.

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	Demat	Physical	
<b>A. Promoters</b>					
(1) Indian					
a) Individual /HUF	-	-	4,66,482	-	0.82
b) Central Govt	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-
d) Bodies Corp.	2,99,06,520	2,99,06,520	4,02,68,517	4,02,68,517	70.58 (0.76)
e) Banks/ FI	-	-	-	-	-
f) Any Other	-	-	-	-	-
<b>Sub-total(A) (1)</b>	<b>2,99,06,520</b>	<b>2,99,06,520</b>	<b>4,07,34,999</b>	<b>4,07,34,999</b>	<b>71.40</b>
(2) Foreign					
a) NRIs Individuals	-	-	-	-	-
b) Other Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks/FI	-	-	-	-	-
e) Any Other	-	-	-	-	-
<b>Sub-total(A) (2)</b>					
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2,99,06,520</b>	<b>2,99,06,520</b>	<b>4,07,34,999</b>	<b>4,07,34,999</b>	<b>71.40</b>
<b>B. Public Shareholding</b>					
1. Institutions					
a) Mutual Funds	-	-	33,20,833	-	5.82
b) Banks / FI	-	-	32,000	32,000	0.06
c) Central Govt	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-
e) Venture Capital Fund/FPI	-	-	22,65,742	-	3.97
f) Insurance Companies	-	-	-	-	-
g) FIs	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-
i) Others (specify)	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>56,18,575</b>	<b>56,18,575</b>	<b>9.85</b>



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	Demat	Physical	
2. Non-Institutions					
Bodies Corp.					
i) Indian	-	90,03,181	90,03,181	21.48	-
ii) Overseas	-	-	-	-	(21.48)
a) Individuals	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	-	4	4	0.00	26,69,569
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	-	-	-	-	17,12,239
c) Others (Non-Resident Indians, Trusts, NBFC, Clearing Members)	-	30,08,066	30,08,066	7.18	60,19,297
<b>Sub-total (B)(2)</b>	<b>-</b>	<b>1,20,11,247</b>	<b>1,20,11,247</b>	<b>28.66</b>	<b>1,05,11,205</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>-</b>	<b>1,20,11,247</b>	<b>1,20,11,247</b>	<b>28.66</b>	<b>1,61,29,780</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2,99,06,520</b>	<b>1,20,11,247</b>	<b>4,19,17,767</b>	<b>100</b>	<b>5,68,64,779</b>
					<b>1,90,000</b>
					<b>5,70,54,779</b>
					<b>100</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	
1	*Spectrum Broadcast Holdings Private Limited	2,99,06,520	71.34	-	-	-	-	(71.34)
2	Jagran Prakashan Limited	-	-	-	40,268,517	70.58	-	70.58
3	Ms. Ruchi Gupta	-	-	-	4,66,482	0.82	-	0.82
	<b>Total</b>	<b>2,99,06,520</b>	<b>71.34</b>	<b>-</b>	<b>4,07,34,999</b>	<b>71.40</b>	<b>-</b>	<b>0.06</b>

\* The shares of Spectrum Broadcast Holdings Private Limited were transferred to Jagran Prakashan Limited pursuant to Scheme of Arrangement.



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

Particulars	Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the Year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
At the beginning of the year	2,99,06,520	71.34	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)				
At the end of the year	4,07,34,999	71.40		

Refer Note I below

Note I: Details of Increase and Decrease in Promoters' Shareholding

Sr. No	Name of the Shareholder	Shareholding		Date	Increase/ (Decrease) in Shareholding		Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning (01-04-16)/ end of the year (31-03-17)	% of total shares of the Company		No. of Shares	% of total shares of the Company		No. of Shares	% of Total Shares of the Company
1.	^Spectrum Broadcast Holdings Private Limited	2,99,06,520	71.34	01-04-2016	-	-	-	-	-
		-	-	24-11-2016	(2,99,06,520)	(71.34)	Pursuant to Scheme of Arrangement	(2,99,06,520)	(71.34)
2.	Jagran Prakashan Limited (JPL)	-	-	31-03-2017	-	-	-	-	-
		-	-	01-04-2016	-	-	-	-	-
		-	-	30-09-2016	13,58,816	3.02	Purchase of Shares	13,58,816	3.02
		-	-	24-11-2016	3,89,09,701	86.38	Pursuant to Scheme of Arrangement	4,02,68,517	*89.40
3.	Ms. Ruchi Gupta	40,268,517	*70.58	31-03-2017	-	-	-	-	-
		-	-	01-04-2016	-	-	-	-	-
		-	-	24-11-2016	4,66,482	1.04	Pursuant to Scheme of Arrangement	4,66,482	*1.04
		4,66,482	0.82	31-3-2017	-	-	-	-	-

^ The shares of Spectrum Broadcast Holdings Private Limited were transferred to Jagran Prakashan Limited pursuant to Scheme of Arrangement.

\* Change of 18.82% in shareholding of JPL and 0.22% in shareholding of Ms. Ruchi Gupta from Cumulative shareholding to shareholding at the end of the year is on account of dilution of shareholding pursuant to Initial Public Offer of the Company.





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

Sr. No	Name of the shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (April 1, 2016) / end of the year (March 31, 2017)	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	HDFC Standard Life Insurance Company Limited	-	-	01-04-2016				
		-	-	17-03-2017	4,32,676	Purchase	4,32,676	0.76
		-	-	24-03-2017	22,57,045	Purchase	26,89,721	4.71
		27,75,183	4.86	31-03-2017	85,462	Purchase	27,75,183	4.86
2	Franklin India Smaller Companies Fund	-	-	01-04-2016				
		-	-	17-03-2017	4,08,724	Purchase	4,08,724	0.72
		-	-	24-03-2017	9,00,000	Purchase	13,08,724	2.29
		14,84,377	2.60	31-03-2017	175,653	Purchase	14,84,377	2.60
3	Pictet Country (Mauritius) Limited	-	-	01-04-2016				
		-	-	17-03-2017	3,36,022	Purchase	3,36,022	0.59
		-	-	24-03-2017	95,836	Purchase	4,31,858	0.76
		8,83,159	1.55	31-03-2017	451,301	Purchase	8,83,159	1.55
4	Rashi Fincorp Ltd.	-	-	01-04-2016				
		-	-	17-03-2017	31,658	Purchase	31,658	0.06
		-	-	24-03-2017	6,70,000	Purchase	7,01,658	1.23
		7,01,658	1.23	31-03-2017				
5	SBI Life Insurance Co. Ltd	-	-	01-04-2016				
		-	-	17-03-2017	4,41,784	Purchase	4,41,784	0.77
		-	-	31-03-2017				
		4,41,784	0.77	01-04-2016				
6	India Midcap (Mauritius) Ltd.	-	-	01-04-2016				
		-	-	17-03-2017	3,57,708	Purchase	3,57,708	0.63
		-	-	31-03-2017	30,436	Purchase	3,88,144	0.68
		3,88,144	0.68	31-03-2017				
7	Morgan Stanley Mauritius Company Limited	-	-	01-04-2016				
		-	-	17-03-2017	4,42,135	Purchase	4,42,135	0.77
		-	-	17-03-2017	(78,433)	Sale	3,63,702	0.64
		3,63,702	0.64	31-03-2017				



Sr. No	Name of the shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (April 1, 2016) / end of the year (March 31, 2017)	% of total Shares of the Company				No. of shares	% of total shares of the Company
8	ICICI Prudential Midcap Fund	-	-	01-04-2016				
				17-03-2017	3,27,279	Purchase	3,27,279	0.57
				24-03-2017	11964	Purchase	3,39,243	0.59
				24-03-2017	(11964)	Sale	3,27,279	0.57
		3,27,279	0.57	31-03-2017				
9	HDFC Trustee Company Limited - HDFC Prudence Fund	-	-	01-04-2016				
				17-03-2017	4,66,487	Purchase	4,66,487	0.82
				17-03-2017	(1,51,172)	Sale	3,15,315	0.55
		3,15,315	0.55	31-03-2017				
10	HSBC Indian Equity Mother Fund	-	-	01-04-2016				
				17-03-2017	315,315	Purchase	315,315	0.55
		3,15,315	0.55	31-03-2017				
11	Nomura Funds Ireland Public Limited Company- Nomura Funds Ireland - India Equity Fund	-	-	01-04-2016				
				17-03-2017	315,315	Purchase	315,315	0.55
		3,15,315	0.55	31-03-2017				
12	DSP Blackrock Equity Savings Fund	-	-	01-04-2016				
				17-03-2017	3,43,788	Purchase	3,43,788	0.60
				31-03-2017	(28,473)	Sale	3,15,315	0.55
		3,15,315	0.55	31-03-2017				
13	Reliance Capital Trustee Co. Ltd - A/C Reliance Small Cap Fund	-	-	01-04-2016				
				17-03-2017	3,29,327	Purchase	3,29,327	0.58
				31-03-2017	(14,012)	Sale	3,15,315	0.55
		3,15,315	0.55	31-03-2017				
14	Birla Sun Life Insurance Company Limited	-	-	01-04-2016				
				17-03-2017	315,315	Purchase	315,315	0.55
		3,15,315	0.55	31-03-2017				
15	Globe Capital Market Ltd	-	-	01-04-2016				
				17-03-2017	45	Purchase	45	0
				24-03-2017	2,48,009	Purchase	2,48,054	0.43
				31-03-2017	2,755	Purchase	2,50,809	0.44
		2,50,809	0.44	31-03-2017				



Sr. No	Name of the shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (April 1, 2016) / end of the year (March 31, 2017)	% of total Shares of the Company				No. of shares	% of total shares of the Company
16	*Crystal Sound and Music Private Limited	90,03,181	21.48	01-04-2016				
				24-11-2016	(90,03,181)	Transfer pursuant to Scheme of Amalgamation		
17	*Trustees of Music Broadcast Employees Welfare Trust	30,08,066	7.18	01-04-2016				
				29-09-2016	(13,84,566)	Transfer of shares	16,23,500	3.87
				30-09-2016	(16,23,500)	Transfer of shares pursuant to dissolution of trust		
				31-03-2017				

\*The same are Top 10 shareholders of the Company as on April 1, 2016 and cease to be in the list of Top 10 shareholders as on March 31, 2017.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (April 1, 2016) / end of the year (March 31, 2017)	% of total Shares of the Company				No. of shares	% of total shares of the Company
1.	*Ms. Apurva Purohit	-	-	01-04-2016	12,28,500	Shares received pursuant to dissolution of Music Broadcast Employees Welfare Trust	12,28,500	2.73
		12,28,500	2.15	31-03-2017				
2.	Mr. Rahul Gupta	-	-	01-04-2016	65,887	Shares allotted pursuant to Scheme of Amalgamation	65,887	0.15
				24-11-2016				
				15-03-2017	(65887)	Offer for Sale pursuant to IPO	-	-
				31-03-2017				
3.	Mr. Sameer Gupta	-	-	01-04-2016	3,44,777	Shares allotted pursuant to Scheme of Amalgamation	3,44,777	0.77
				24-11-2016				
				15-03-2017	(3,44,777)	Offer for Sale pursuant to IPO	-	-
				31-03-2017				

Other directors and KMP do not hold any shares at the beginning, during and at the end of the year

\* Change of 0.58% in shareholding of Ms. Apurva Purohit from Cumulative shareholding to shareholding at the end of the year is on account of dilution of shareholding pursuant to Initial Public Offer of the Company.



## VI. INDEBTEDNESS

Particulars	(Amount in ₹ Lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,959.88	2,300.00	-	22,259.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	148.42	15.15	-	163.57
<b>Total (i+ii+iii)</b>	<b>20,108.30</b>	<b>2,315.15</b>	<b>-</b>	<b>22,423.45</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,902.79	4,460.61	-	6,363.40
• Reduction	6,921.50	6,775.76	-	13,697.26
<b>Net Change</b>	<b>(5,018.71)</b>	<b>(2,315.15)</b>	<b>-</b>	<b>(7,333.86)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,977.97	-	-	14,977.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	111.62	-	-	111.62
<b>Total (i+ii+iii)</b>	<b>15,089.59</b>	<b>0.00</b>	<b>0.00</b>	<b>15,089.59</b>

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

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	(Amount in ₹ Lakhs)	
		Ms. Apurva Purohit	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	127.27	127.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify (Gratuity and Leaves)	159.10	159.10
<b>Total (A)</b>		<b>286.37</b>	<b>286.37</b>
Ceiling as per the Act		288.79	

\*The Managerial Remuneration paid to Ms. Apurva Purohit is calculated for the period starting from April 01, 2016 to June 30, 2016. With effect from July 01, 2016, Ms. Purohit ceased to be Whole Time Director of the Company and continued to guide the Company as Non-Executive Director of the Company.



## B. Remuneration of other directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Tandon	Anuj Puri	Apurva Purohit	Rahul Gupta	Sameer Gupta	
1	Independent Directors						
	Fee for attending board committee meetings	3.2	1.7	-	-	-	4.9
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>3.2</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.9</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>3.2</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.9</b>
	Overall Ceiling as per the Act						Not applicable as only sitting fees paid.

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Abraham Thomas (CEO)	Mr. Prashant Domadia (CFO)	Mr. Chirag Bagadia (Company Secretary)	
1.	Gross Salary				
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	161.51	32.82	12.56	206.89
	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of Profit				
	- Others, specify				
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>161.51</b>	<b>32.82</b>	<b>12.56</b>	<b>206.89</b>



## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal, if any (give details)
<b>COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

**Date:** May 25, 2017

**Place:** Mumbai

For and on Behalf of the Board

**Vijay Tandon**

Chairman



## ANNEXURE IV

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Music Broadcast Limited  
5<sup>th</sup> Floor, RNA Corporate Park  
Kalanagar, Bandra (East)  
Mumbai – 400 051

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Music Broadcast Limited (“the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before me for the financial year ended 31<sup>st</sup> March, 2017, as per the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI ACT’) during the Audit Period.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not applicable to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) I, relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:-
  - a) The Indian Telegraph Act, 1885
  - b) The Indian Wireless Telegraphy Act, 1933





- c) The Prasar Bharati (Broadcasting Corporation of India) Act, 1990
- d) The Telecom Regulatory Authority Act, 1997
- e) Grant of Permission Agreement (GOPA) executed between the Company and Ministry of Information and Broadcasting, Government of India.
- f) The Code for Commercial Broadcasting.
- g) The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharti) Act, 2007

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

Based on the aforesaid information provided by the Company, I report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable and I have not found material observation or instances of non-compliance in respect of the same.

#### **I further report that -**

The Board of Directors of the Company is duly constituted with all the Directors are Non-Executive Directors with adequate mix of Independent Director's. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors about scheduled Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and

operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **I further report that** during the Audit Period;

- (i) The Hon'ble High Court of Judicature at Allahabad vide its Order dated September 22, 2016 and the Hon'ble High Court of Judicature at Bombay vide its Order dated October 27, 2016 sanctioned Composite Scheme of Arrangement between Crystal Sound and Music Private Limited ("Crystal") and Spectrum Broadcast Holdings Private Limited ("Spectrum") with Jagran Prakashan Limited ("JPL" or "Amalgamated Company"), and the demerger of radio business undertaking of Shri Puran Multimedia Limited ("SPML" or "Demerged Company") into Music Broadcast Limited ("MBL"). Subsequently approval from Ministry of Information & Broadcasting ("MIB") was received on November 18, 2016.
- (ii) The Company has issued and allotted 12,012,012 equity shares of ₹ 10/- each at premium of ₹ 323/-each through Initial Public Offer (IPO), The equity shares of the Company got listed on BSE Limited and The National Stock Exchange of India Limited w.e.f. March 17, 2017.
- (iii) The Company has redeemed 500 Privately Placed 9.70% p.a. Secured, Listed, Redeemable Non-Convertible Debentures (Series- A, ISIN INE919I07013) for the face value ₹ 10,00,000/- per Debenture on its maturity on March 04, 2017.
- (iv) 8,274 Unsecured Non-Convertible Debentures of ₹ 1,00,000/- per Debenture issued to Jagran Prakashan Limited having coupon rate of 8.50% p.a. were redeemed as per the terms of issue out of the proceeds of IPO on March 17, 2017.
- (v) The Company has obtained shareholders' approval in the Extraordinary General Meeting held on April 11, 2016 for reduction of share / securities premium account pursuant to the Composite Scheme of Arrangement (The Scheme) between Jagaran Prakashan Limited (Amalgamated Company ) and Crystal Sound & Music Private Limited (Transferor Company 1) and Spectrum Broadcast Holdings Private Limited (Transferor Company 2) and Shri Puran Multimedia Limited (Demerged Company) and Music Broadcast Limited (Resulting Company) and their respective Shareholders and Creditors.
- (vi) The Company has obtained Shareholders' approval in the Extraordinary General Meeting held on November 25, 2016 for the following items:-
  - a) Adoption of new set of Articles of Association for the Company.



- b) Inter corporate Loans and Investment in excess of limit prescribed under Section 186 of the Act not exceeding ₹ 1000 crore.
- c) Increase in borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 not exceeding ₹ 1000 Crores.
- d) Creation of charge on properties of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013 up to ₹1000 Crores.
- e) Increase in Authorised Capital of the Company from ₹ 46,05,00,000/- (Rupees Forty Six Crores Five Lacs only) to ₹ 67,05,00,000/- (Rupees Sixty Seven Crores Five Lacs only) by creation of additional 2,10,00,000 equity shares of ₹ 10 /- each.
- f) Issue and Allotment of Equity Shares to the Public vide Initial Public Offer.
- g) Approve variation in terms of Compulsory Convertible Debentures of the Company.
- (vii) There was no instance of foreign technical collaborations.

Place: Mumbai  
Date: May 25, 2017

**Deepak Rane**  
Practicing Company Secretary  
Proprietor  
A.C.S. No. 24110  
CP No. 8717



## ANNEXURE V

### DISCLOSURE OF INFORMATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The information required under section 197 of the Act read along with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendments, modifications, if any are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sr. No.	Name of the Director	Ratio (Remuneration of each Director to Median Remuneration)
1.	*Ms. Apurva Purohit (Whole-time Director upto June 30, 2016)	15.91 times

\* The Managerial Remuneration paid to Ms. Apurva Purohit is calculated for the period starting from April 01, 2016 to June 30, 2016. With effect from July 01, 2016, Ms. Purohit ceased to be Whole Time Director of the Company and continued to guide the Company as Non-Executive Director of the Company.

- b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2016-17:

Sr. No.	Name of the Director/CFO/ CEO/CS/Manager	Designation	% increase between (I) and (II) [(I-II)/II*100]
1.	Ms. Apurva Purohit (Whole-time Director upto June 30, 2016)	Director	25%
2.	*Mr. Abraham Thomas	Chief Executive Officer	-
3.	Mr. Prashant Domadia	Chief Financial Officer	22%
4.	Mr. Chirag Bagadia	Company Secretary	21%

\*Since Mr. Abraham Thomas was appointed CEO of the Company w.e.f 23.11.2015, he was not eligible for the increase in remuneration in the financial year 2016-17

- c) Percentage increase / decrease in the median remuneration of employees in the financial year 2016-17: (8.6%) Decrease in percentage of median remuneration is on account of increase in number of employees i.e. 200 pursuant to approval of scheme of arrangement and fresh recruitments.
- d) Number of permanent employees on the rolls of the company: There were 510 permanent employees as on March 31, 2017.
- e) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of managerial personnel and employees other than these Managerial Personnel are given below:

Particulars	All employees other than managerial personnel	Managerial Personnel
% increase from FY 2015-16 to FY 2016-17	17%	25%

- f) Affirmation that remuneration is as per remuneration policy of the company:

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company

g) Information required under section 197 of the Act read along with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendments, modifications, if any are given below:

Names of Top Ten Employees of the Company in Terms of Remuneration drawn for Financial Year 2016-17:

Employee Name	Designation	Nature of Employment whether contractual or otherwise	Educational Qualification	Age	Experience (in years)	Date of joining	Gross Remuneration paid per annum (in ₹)	Previous Employment and Designation	% of Equity held by employee in the Company within the meaning of Clause (iii) of Sub-rule 2	Whether any such employee is a relative of any director or manager of the Company, and if so, name such director/manager
*Abraham Thomas	CEO	Employee	Master's in Diploma in Business Administration	53	23.6	23-Nov-15	2,01,51,879	Co-founder One Network Entertainment Pvt. Ltd	NIL	No
*Sagorika Kantharia	Head Human Resource	Employee	Master's in Business Administration	52	26.1	11-Jun-07	1,11,77,976	Chief Manager - HR - Bennett, Coleman & Co. Ltd (The times Of India Group)	NIL	No
Kartik Kalla	Head - Programming, Audacity & Marketing	Employee	Master's in Business Administration	44	18.8	18-Jul-08	55,18,629	Head - Digital Signage Prime time Networks	NIL	No
Rachna Kanwar	Chief Operating Officer - Digital	Employee	Post Graduate in Journalism	46	23.0	19-Feb-07	53,53,943	Chief Manager - HR Times Internet Ltd	NIL	No
Avinash Nair	Sr. Vice President - Sales & Special Projects	Employee	Hotel Management	40	19.8	15-Mar-11	49,34,764	General Manager - South Hungama Digital Media Ent. Pvt. Ltd.	NIL	No
Deepa Dave	Executive Vice President	Employee	B.Com	43	21.2	01-Jun-07	49,11,155	Senior Manager - DNA	NIL	No
Saili Acharya	On Air Talent	Consultant	BA	37	14.6	15-Jun-09	48,41,922	Media Consultant	NIL	No



Employee Name	Designation	Nature of Employment whether contractual or otherwise	Educational Qualification	Age	Experience (in years)	Date of joining	Gross Remuneration paid per annum (in ₹)	Previous Employment and Designation	% of Equity held by employee in the Company within the meaning of Clause (iii) of Sub-rule 2	Whether any such employee is a relative of any director or manager of the Company, and if so, name such director/manager
Ravi Thakur	Executive Vice President	Employee	Master's in Business Administration	43	19.2	14-Nov-05	47,14,586	Area Sales Manager - Tata Tele service Mah Ltd	NIL	No
Alok Barua	CTO	Employee	Computer Science	42	14.1	18-Oct-16	47,00,025	President - Product & Technology - BIZO - Business Online Pvt Ltd Mumbai	NIL	No
Abhinendra Tewari	Vice President	Employee	Post Graduate Diploma in Business Management	41	20.0	01-Dec-05	44,73,305	Manager -Ad sales - Unitech Indraprastha TV Ltd	NIL	No

Notes: \* Employees drawing a remuneration of ₹ 1.02 crore or above per annum for the financial year 2016-17



# REPORT ON CORPORATE GOVERNANCE

The Directors of the Company present the Company's Report on Corporate Governance for the year ended March 31, 2017 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## 1. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mind-set of the organization. Corporate Governance is an integral part of management, execution of business plans, policies and processes as the Company believes that it is a tool to attain and enhance the competitive strengths in business and ensure sustained performance for continuously enhancing the value for every stakeholder. Accordingly, Music Broadcast Limited (MBL) endeavours to adhere to the highest levels of transparency, accountability and ethics in all its operations, at the same time fully realizing its social responsibilities. The Company's focus on Corporate Governance is reflected in following:

- Composition, size and functioning of and disclosures to the Board of Directors and various Committees of the Board.
- Board's commitment to discharge duties and responsibilities entrusted upon them by the Statute and to live up to the expectations of stakeholders of the Company and public at large.
- Strong value systems and ethical business conduct.
- Sound internal control and internal audit system.
- Transparency, accountability, social responsibility and ethics in all its operations.
- Putting in place the Code of Conduct for all the members of Board and team of senior Management Personnel.
- Putting in place the Code of Conduct for Prohibition of Insider Trading.
- Vigil Mechanism and Whistle Blower Policy.
- Policy on Related Party Transactions and on dealing with Related Party Transactions.
- Efforts for prompt redressal of investors' grievances.
- Appropriate delegation of authority responsibility, monitoring of performance and collective decision making involving senior management team in all key decisions.
- Automated seamless integrated work flow to ensure consistency and timely flow of information.

## 2. BOARD OF DIRECTORS

An effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. With the belief that an active, well informed, truly diverse and independent Board of Directors is necessary to ensure the highest standards of Corporate Governance, the Company has a fundamentally strong Board comprises an optimal combination of non-executive and independent directors so as to preserve and maintain the independence of the Board.

As on March 31, 2017, the Board of Directors comprises of 5 (five) Directors, 2 (two) of whom are Non-Executive Independent Directors, 2 (two) are Non-Executive Directors and 1 (one) is Non- Executive Woman Director. All Directors of the Company are resident Directors.

The Board of Directors consists of eminent individuals with considerable professional expertise and experience in Finance, Media, Commercial, Strategy and Planning, Business Administration and other related fields, who not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board of Directors.

In line with the Nomination & Remuneration policy, the Directors are identified based on their qualifications, positive attributes, area of expertise, etc.

## 3. COMPOSITION OF BOARD OF DIRECTORS AND PARTICULARS THEREOF

The details of attendance of directors at the Board Meetings during the financial year 2016-17 is provided below:

Sr. No	Name of the Director	No. of Board Meeting attended during the financial year 16-17	Whether attended last AGM	Category	Relationship with other Director(s)	Share-holding in the Company in Number & Percentage
1.	*Mr. Vijay Tandon	6 out of 6	N.A.	Non-Executive Chairman (Independent)	---	NIL
2.	*Mr. Anuj Puri	3 out of 7	Yes	Non-Executive Independent Director	---	NIL



Sr. No	Name of the Director	No. of Board Meeting attended during the financial year 16-17	Whether attended last AGM	Category	Relationship with other Director(s)	Share-holding in the Company in Number & Percentage
3.	Ms. Apurva Purohit	7 out of 9	Yes	Non-Executive Director	---	12,28,500 (2.73%)
4.	Mr. Rahul Gupta	8 out of 9	No	Non-Executive Director	---	NIL
5.	Mr. Sameer Gupta	8 out of 9	No	Non-Executive Director	---	NIL

**Notes:**

- Relationship with other Director(s) means 'Relative' of other Director(s) as defined u/s 2(77) of the Companies Act, 2013 ("Act").
- Company has not issued any convertible instrument.
- \*Mr. Anuj Puri and Mr. Vijay Tandon were appointed as Directors of the Company on May 30, 2016 and November 24, 2016 respectively.

**4. OTHER DIRECTORSHIPS AND MEMBERSHIP OF BOARD COMMITTEES AS AT MARCH 31, 2017**

Sr. No	Name of the Director	Number and Name of Directorships in other Public Companies.	No. of Committee position held in other Companies	
			Chairman	Member
1.	Mr. Vijay Tandon	Jagran Prakashan Limited	1	1
2.	Mr. Anuj Puri	Jagran Prakashan Limited	None	None
3.	Ms. Apurva Purohit	Mid-day Infomedia Limited Mindtree Limited	None	1
4.	Mr. Rahul Gupta	Shri Puran Multimedia Limited Jagran Micro Motors Limited Jagran Infotech Limited	None	None
5.	Mr. Sameer Gupta	Shri Puran Multimedia Limited Jagran Infotech Limited Jagran 18 Publications Limited	1	1

**Notes:**

- Directorship held by Directors in other Companies does not include directorship, if any in Foreign Company, Companies under Section 8 of Companies Act, 2013 and Private Limited Companies.
- In accordance with Regulation 26 of Listing Regulations, 2015, Chairmanship/Membership only in Audit Committee and Stakeholder Relationship Committee of Public Limited Companies has been considered for Committee positions.
- None of the Directors of the Company hold membership of more than ten Committees nor is a Chairman of more than five committees (as specified in regulation 26), across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2017 have been made by the Directors.

**5. BRIEF PROFILE OF DIRECTORS:**

**Mr. Vijay Tandon** is an Independent Director and Chairman of our Company. Mr. Tandon age about 73 years, graduated from the University of Delhi. Mr. Tandon is a Chartered Accountant and fellow of the Institute of Chartered Accountants of India. After qualifying in 1969, Mr. Tandon worked with Thakur, Vaidyanath Aiyar & Co., a leading firm of Chartered Accountants in New Delhi and was a partner of the firm between 1980 and 1999. As a chartered accountant and financial management consultant, with over 40 years of professional experience in various capacities, Mr. Tandon has been associated with number of private and public sector companies and banks in the capacity of auditor. Mr. Tandon has extensive knowledge of the corporate laws and was heading the Corporate Division of Thakur Vaidyanath Aiyar & Co.

Mr. Tandon has been associated with print media industry in various capacities, as publisher auditor, representing the Audit Bureau of Circulations and as director in Associated Journals Limited (The National Herald Group). Also, as a management consultant, Mr. Tandon has been associated with a number of consulting services in diverse sectors of economy, industry and public utilities funded by the Asian Development Bank, the World Bank and UK Department of International Development in India as well as South & Central Asia. Between 2000-2016, Mr. Tandon was Principal Consultant/Director India with ICF Consulting Services a UK-based development consultant. Mr. Tandon is currently advisor on urban governance and Management and Independent Director of Jagran Prakashan Limited. Mr. Tandon joined our Board on November 24, 2016.



**Ms. Apurva Purohit**, is a Non-Executive Director of our Company. She holds a Bachelor's degree in Science from the University of Madras and a Post Graduate Diploma in Management from the Indian Institute of Management, Bengaluru. She is the president of the Jagran group and she handles the group's portfolio across several verticals including print, radio, digital and outdoor. She is also accountable for any new businesses the group may venture into in the media space. She has authored the book "Lady, You're not a Man – the Adventures of a Woman at Work". In 2016, she was awarded as one of the Business Today's top 30 most powerful women in business. She has been on the Board since August 16, 2014 as a whole-time director and CEO. Further, her designation was changed to a whole-time director on November 23, 2015 pursuant to a board resolution passed on November 18, 2015. She was appointed as a Non-Executive Director of our Company on July 1, 2016.

**Mr. Anuj Puri**, is Independent Director of our company. Mr. Anuj Puri aged about 51 years, holds bachelor's degree in commerce, is an Associate of the Institute of Chartered Accountants of India (New Delhi), Associate of the Chartered Insurance Institute, UK, Associate of Insurance Institute of Surveyors & Adjusters (India) and an Associate of the Insurance Institute of India. With over 27 years of experience in multi-disciplinary advisory and transactions ranging from real estate to social development projects, he has expertise in undertaking demand assessment studies and transactional services including marketing strategies based on technical real estate market analysis. Mr. Puri has successfully handled marketing of projects within the Office, Retail, Hospitality and Residential domains. His vast expertise also encompasses feasibility studies, program requirement derivation and fund & investor sourcing. Mr. Puri has held various key positions in the industry and is a Member of Task Force on Smart Cities of Federation of Indian Chambers of Commerce & Industry (FICCI), India Chapter at Asia Pacific Real Estate Association, the Confederation of Indian Industry Western Regional Council 2016-17, Advisory Committee of Maharashtra Chamber of Housing Industry-Confederation of Real Estate Developers' Association of India (MCHI-CREDAI). He is also Fellow of Royal Institute of Chartered Surveyors. . Until Feb 2017, Mr. Puri was the Chairman & Country Head of Jones Lang LaSalle (JLL), one of India's largest real estate service providers with operations in 11 cities across India and staff strength of over 9000. Mr. Puri recently acquired Jones Lang LaSalle Residential Private Ltd (JLLR) – the residential brokerage arm of JLL and will lead a team of 200 residential brokers across eight Indian cities. Mr. Puri is Director of the Company since May, 2016.

**Mr. Rahul Gupta**, is a Non-Executive Director of our Company. He holds a Bachelor's degree in Science from the University of Bradford and a Master of Business Administration from Lancaster University (UK). Prior to joining our Company, he worked with the Independent Newspapers London (UK) Ltd. He was instrumental in setting up and operating the Radio Mantra Stations in SPML and is currently managing the operations of Jagmini Micro Knit Private Limited. He was appointed as a Non-Executive Director of our Company on June 10, 2015.

**Mr. Sameer Gupta**, is a Non-Executive Director of our Company. He holds a Bachelor's and Master's degree in Commerce from Kanpur University. He is currently the executive president (accounts) in JPL. He has 28 years of experience in accounts, general administration and management information system. He was appointed as a Non-Executive Director of our Company on June 10, 2015.

## 6. BOARD MEETING AND PROCEDURES

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company, management policies and their effectiveness and ensures that the long term interest of the shareholders is served. The internal guidelines of the Board and the Board Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

The following sub-sections deals with these guidelines:

### a) Scheduling and selection of Agenda Items for Board meetings:

- (i) Minimum four Board meetings are held in each year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) All divisions / departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings.
- (iii) The Board has complete access to any information within the Company and with the employee of the





Company. The information placed before the Board includes:-

- 1) Annual operating plans and budgets and any updates.
  - 2) Capital budgets and any updates.
  - 3) Quarterly results for the Company and its operating divisions or business segments.
  - 4) Minutes of meetings of Audit Committee and other Committees of the board and also resolutions passed by Circulation.
  - 5) The information on recruitment, remuneration and resignation of senior management personnel just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
  - 6) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
  - 7) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
  - 8) Details of any joint venture or collaboration agreement.
  - 9) Sale of material nature of investments, assets, which is not in normal course of business.
  - 10) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
  - 11) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
  - 12) Dividend declaration
  - 13) Quarterly summary of the borrowings, loans and investments made.
  - 14) Internal audit findings and external audit report.
  - 15) Company's annual Financial Results, Financial Statements, Auditor's Report and Board Report.
  - 16) Formation/ reconstitution of Board Committees
  - 17) Terms of reference of Board Committees.
  - 18) Declaration of Independent Directors at the time of appointment.
  - 19) Disclosure of Director's interest and their shareholding.
  - 20) Appointment of internal auditors and Secretarial Auditor.
  - 21) Annual Secretarial reports submitted by Secretarial Auditors.
  - 22) Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
  - 23) Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
- (iv) The Chairman of the Board and the Company Secretary in consultation with other concerned team members of the senior management, finalize the agenda papers for the Board meetings.
- b) Information Flow to the Board Members including Board Material distributed in advance:**
- (i) Agenda and Notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.
  - (ii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.
- c) Recording Minutes of proceedings at Board and Committee meetings:**
- The Company Secretary records the minutes of the proceedings of each Board and Committee meetings.



The draft minutes are circulated to all the members of the Board / Committee for their comments.

**d) Post Meeting Follow-up Mechanism:**

The Action taken report on the decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting by the Board/Committee.

**e) Compliance:**

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 and Companies Act, 2013 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

**f) Board Meetings:**

9 (Nine) Board meetings were held during the financial year 2016-2017 on April 14, 2016, May 30, 2016, August 8, 2016, November 24, 2016, November 27, 2016, December 13, 2016, February 9, 2017, February 22, 2017 and March 10, 2017. The gap between any two Board Meetings did not exceed more than 120 days.

Leave of absence is granted to the non-attending directors on their request and noted in the attendance register as well as in the minutes of the meetings.

**g) Web link of familiarisation Programme for Independent Director:**

<http://www.planetradiocity.com//images/about-us/presscoverageimg/Orientation%20and%20Familiarisation%20Programme%20for%20ID%20-%20MBL1491476557.pdf>

## 7. BOARD COMMITTEES

In terms of Companies Act, 2013 and Listing Regulations the Board has constituted the following Committees i.e. Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee. The Board also constituted Management Committee to open the bank accounts and give all such power of attorney/authorizations as may be needed by the Board and employees to represent the Company before the Governmental authorities etc.

**(A) AUDIT COMMITTEE:**

In compliance with Regulation 18 of Listing Regulations and as per the requirements of Section 177 of the Companies Act, 2013, an Audit Committee of the Board has been constituted.

**a) Brief Description of Terms of Reference:**

The role of Audit Committee includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;
3. Approval of payment to statutory auditors for any other services rendered by them, as applicable;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
  - (a) Matters required in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report.
  - (h) Compliance with accounting standards;
  - (i) Contingent liabilities;
  - (j) Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013;



5. Reviewing, with the management:
  - (a) the quarterly, half-yearly and annually financial statements and such other periodical statements before submission to the Board for approval;
  - (b) The statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and
  - (c) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter;
6. Reviewing and monitoring the auditor's independence and performance along-with the effectiveness of audit process;
7. Examination of the financial statement and the auditor's report thereon;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
10. Scrutinizing
  - (a) the need for omnibus approval and ensuring that such approval is in the interest of the Company;
  - (b) Inter-corporate loans and investments.
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing with the management- performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Scrutinizing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.
20. Approval of appointment of CFO (or the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Reviewing the functioning of the whistle blower mechanism;
 

The powers of the Audit Committee shall include the following:

  - a. To investigate any activity within its terms of reference;
  - b. To seek information from any employee;
  - c. To obtain outside legal or other professional advice, and
  - d. To secure attendance of outsiders with relevant expertise, if it considers necessary; and



The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor;
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

The Company has established a vigil mechanism for directors and employees to report genuine concerns. Vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and make direct access to the chairman of the Audit Committee in appropriate or exceptional case. The details of establishment of such mechanism are disclosed by the Company on its website.

All recommendations of Audit Committee for the financial year 2016-17 were accepted by the Board.

**b) Composition, Name of Members, Chairperson, Meetings & attendance during the year:**

5 (Five) Audit Committee meetings were held during the financial year 2016-17 on May 30, 2016, August 8, 2016, November 24, 2016, December 13, 2016 and February 9, 2017. The gap between two Audit Committee did not exceed 120 days. The Audit Committee consists of following non-executive directors:

**c) Composition and attendance in Committee meeting during the year:**

The Audit Committee comprises of three Directors with Mr. Vijay Tandon as the Chairman of the Committee. The composition of Audit Committee is in compliance of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

Name of Committee Members	Position	Meetings Held	Meetings Attended
* Mr. Vijay Tandon	Chairman (Non-Executive and Independent)	2	2
* Mr. Anuj Puri	Member (Non-Executive and Independent)	4	3
Ms. Apurva Purohit	Member (Non-Executive)	5	5
^ Mr. Rahul Gupta	Member (Non-Executive)	3	3
^ Mr. Sameer Gupta	Member (Non-Executive)	3	3

**Notes:**

- (i) The Board of Directors of the Company at its Meeting held on May 30, 2016 and November 24, 2016 reconstituted all the Committees of the Board.
- (ii) ^ Mr. Rahul Gupta & Mr. Sameer Gupta ceased to be members of the Audit Committee with effect from ("w.e.f") November 24, 2016.
- (ii) \* Mr. Anuj Puri became the member of Audit Committee w.e.f May 30, 2016, the Committee was re-shuffled again on November 24, 2016 as per the requirements of Listing Regulations, wherein Mr. Vijay Tandon was appointed as Chairman of the Committee along with Mr. Anuj Puri & Ms. Apurva Purohit as members of the Committee.

Mr. Chirag Bagadia is Secretary to the Committee. The Chief Executive Officer, Chief Financial Officer, Vice-President Finance are regular invitees to the said meeting and representatives of the Statutory Auditor too attend the



Audit Committee meetings and share their findings and address queries.

The primary objective of the Audit Committee is to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

**(B) NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with Regulation 19 of Listing Regulations, read with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has been constituted.

**a) Brief Description of Terms of Reference:**

1. 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;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director's performance. The Company disclose remuneration policy and evaluation criteria in its Annual Report;
5. Determination of extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

The Chairman of the Nomination and Remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

**b) Composition and attendance in Nomination and Remuneration Committee meeting during the year:**

The composition of Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations. 4 (Four) Nomination and Remuneration Committee meetings were held during the financial year 2016-17 on May 30, 2016, August 8, 2016, November 24, 2016 and February 9, 2017.

The Nomination and Remuneration Committee consists of following non-executive directors:

Name of Committee Members	Position	Meetings Held	Meetings Attended
^ Mr. Anuj Puri	Chairman (Non-Executive and Independent)	3	2
^ Mr. Vijay Tandon	Member (Non-Executive and Independent)	1	1
^ Ms. Apurva Purohit	Member (Non-Executive)	1	1
* Mr. Rahul Gupta	Member (Non-Executive)	3	3
* Mr. Sameer Gupta	Member (Non-Executive)	3	3

**Notes:**

- (i) The Board of Directors of the Company at its Meeting held on May 30, 2016 and November 24, 2016 reconstituted all the Committees of the Board.
- (ii) \* Mr. Rahul Gupta & Mr. Sameer Gupta ceased to be members of the Nomination & Remuneration Committee w.e.f. November 24, 2016.
- (iii) ^ Mr. Anuj Puri became the Chairman of Nomination & Remuneration Committee w.e.f. November 24, 2016, wherein the Committee was re-shuffled as per the requirements of Listing Regulations, and Ms. Apurva Purohit and Mr. Vijay Tandon were appointed as Members of the Committee

Mr. Chirag Bagadia is Secretary to the Committee.

The Chairman of the Nomination and Remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

**c) Remuneration of Directors**

**I. Executive Directors Compensation and Disclosures:**

Managerial Remuneration paid to Ms. Apurva Purohit is ₹ 286.37 lakhs for the period starting from April 01, 2016 to June 30, 2016. With effect from July 01, 2016, Ms. Purohit ceased to be Whole Time Director of the Company and continued to guide the Company as Non-Executive Director of the Company.

**II. Non-Executive Directors Compensation and Disclosures:**

**1. Sitting Fees:**

The sitting fees for the each Board Meeting and Audit Committee Meeting are ₹ 50,000/- and ₹10,000/- respectively to be paid to Independent Directors as determined by the Board of Directors.



The Sitting fees paid to non-executive directors for the financial year 2016-17 was as under:

Name Director	Designation/Category	Sitting Fees (₹)
Mr. Vijay Tandon	Independent Director	3,20,000 /-
Mr. Anuj Puri	Independent Director	1,70,000 /-

**Note:**

In view of request of non-executive directors' viz. Mr. Rahul Gupta, Mr. Sameer Gupta and Ms. Apurva Purohit, the Board decided not to pay sitting fee for meetings, until otherwise decided by the Board.

2. Professional Fees:

The Company has appointed Apurva Purohit as a mentor with effect from July 1, 2016 to oversee the business operations of our Company and to guide the management of our Company from time to time. In terms of her appointment, she is eligible to be paid a professional fee by way of commission upto 1% of the profit before tax of each financial year starting April 1, 2016, in addition, travel, hotel and other expenses incurred by her will be borne by our Company. Her professional fees for the financial year 2016-17 is ₹ 57.57/- lakhs

III. Annual Evaluation of Board, Committees and individual Directors:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board of Directors/ Independent Directors/ Nomination & Remuneration Committee ("NRC") (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors and the functioning of its Committees. Such evaluation are presented to the NRC and the Board of Directors. A well-structured mechanism was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of

judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance with Regulation 20 of Listing Regulations and provisions of the Companies Act, 2013, the Stakeholders Relationship Committee has been constituted by the Board for a speedy disposal of grievances / complaints relating to stakeholders/ investors.

a) **Composition and attendance in Committee meeting during the year:**

Stakeholder Relationship Committee was constituted on 24.11.2016 which included Ms. Apurva Purohit (Chairperson), Mr. Rahul Gupta and Mr. Sameer Gupta, Directors as members of the Committee. There were no meetings held by the committee during the year under review.

b) **Compliance Officer:**

Mr. Chirag Bagadia, Company Secretary is designated as the Compliance Officer for complying with the requirements of the Securities Law and Listing Regulations with the Stock Exchanges in India.

c) **Investor Grievance Redressal:**

The Committee will specifically look into the shareholder redressal and investor complaints on matters relating to refund orders, transfer of shares, dematerialization/ rematerialisation, sub-division, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends etc. In addition, the Committee advises on matters which can facilitate better investor services and relations. As per the Certificate issued by the Registrar and Share Transfer Agents (RTA), Karvy Computershare Private Limited, during the year under review, 65 complaints pertaining to Non Receipt of Refund Order were received from shareholders/investors which were all resolved to the satisfaction of the shareholders/ investors.



#### (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee. Statutory disclosures with respect to the CSR Committee and CSR activities forms part of the Director's Report.

##### a) Terms of Reference:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To institute the transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and perform any function as stipulated in Companies Act, 2013 and any applicable laws, as may be prescribed from time to time.

##### b) Composition of Committee and attendance in Committee meeting during the year:

###### Notes:

Name of Committee Members	Category	Meetings Held	Meetings Attended
Ms. Apurva Purohit	Chairman (Non-Executive)	1	1
Mr. Anuj Puri	Member (Non-Executive & Independent)	1	0
Mr. Rahul Gupta	Member (Non-Executive)	1	1
*Mr. Sameer Gupta	Member (Non-Executive)	1	1

- (i) The Board of Directors of the Company at its Meeting held on May 30, 2016 and November 24, 2016 reconstituted all the Committees of the Board.
- (ii) \*Mr. Sameer Gupta ceased to be member of the Corporate Social Responsibility (CSR) Committee w.e.f. November 24, 2016.

#### (E) MEETINGS OF INDEPENDENT DIRECTORS:

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of Listing Regulations the Company's Independent Directors met on February 9, 2017 for the financial year 2016-17, without the presence of non-Executive Directors or key management personnel

except Company Secretary who performs the duties of Secretary to the meeting.

##### Terms of Reference:

- a) To review the performance of the non-independent directors and Board as a whole;
- b) To review performance of the Chairman;
- c) To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties as has been prescribed by Companies Act, 2013 and Listing Regulations.

#### 8. INTERNAL AUDIT SYSTEM:

The Company has a robust system for internal audit and assesses corporate risk on an ongoing basis. The Company has appointed an independent firm. Audit observations are periodically reviewed by the Audit Committee of the Board and necessary directions are issued, wherever required.

M/s. KPMG, are Internal Auditors of the Company. At the core of our processes is the wide use of technology instead of human intervention that ensures robustness of internal control, integrity and timely submission of reports including Management Reports (MIS).

#### 9. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel. This Code is a comprehensive Code applicable to all Directors as well as members of Senior Management. The Code lays down, in detail, the standards of business conduct, ethics and governance. A copy of the Code is available on the Company's corporate website [www.planetradiocity.com](http://www.planetradiocity.com).

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them annually. A declaration signed by the Chairman is enclosed herewith.

#### 10. VIGIL MECHANISM:

A Vigil Mechanism (Whistle Blower Policy) for the Directors and employees to report their genuine concerns or grievances in compliance with the provisions of Rule 7 of Chapter XII of the Companies (Meetings of Board and its Powers) Rules, 2014 has been formed. The Board designated and authorized Mr. Prashant Domadia, CFO of the Company as Vigilance Officer and Mr. Vijay Tandon, Chairman of the Audit Committee to oversee the vigil mechanism.



The Vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provides for direct access to the Chairman of the Audit Committee and in case of repeated frivolous complaints being filed by a Director or an employee, the Chairman of the Audit Committee may take suitable action against the concerned Director or employee including reprimanding.

### 11. CEO /CFO CERTIFICATION:

The CEO/CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal controls for the financial year ended March 31, 2017, as required under Regulation 33 (1) (e) read with Schedule IV of Listing Regulations. The said certificate is annexed to and forms part of this Report.

### 12. GENERAL BODY MEETINGS:

The details of Annual General Meetings held in last Three (3) years are as under:

Financial Year	Day, Date and Time	Venue	Special Resolution passed at the General Meetings
2015-2016	Monday, September 12, 2016 at 10.00 a.m.	5 <sup>th</sup> Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (E), Mumbai 400 051	To keep the Register of Members, Index of Members, Register and Index of Debenture holders and such other Registers, as may be required to be maintained under Section 88 of the Companies Act, 2013, at the office of the Registrar and Transfer Agents of the Company, as may be appointed from time to time.
2014-2015	Monday, September 07, 2015 at 10.00 a.m.	5 <sup>th</sup> Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (E), Mumbai 400 051	No Special Resolution was passed in the meeting.
2013-2014	Tuesday, September 23, 2014 at 11.00 a.m.	5 <sup>th</sup> Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (E), Mumbai 400 051	a) Appointment of Ms. Apurva Purohit as Executive Director and CEO of the Company and also approve remuneration payable to her. b) Approval of Inter Corporate Loans and Investment in Excess of the limit prescribed under Section 186 of the Companies Act, 2013

The details of Extra-ordinary General Meetings (“EGM”) held in last financial year are as under:

Financial Year	Day, Date and Time	Venue	Special Resolution passed at the General Meeting
2015-2016	Monday, April 11, 2016 at 10.00 a.m.	5 <sup>th</sup> Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (E), Mumbai 400 051	For the reduction of share / securities premium account pursuant to the composite scheme of arrangement
	Friday, November 25, 2016 at 10.00 a.m.	9 & 11, Okhla Industrial Estate, Phase III, New Delhi – 110 020	a) For issue and Allotment of Equity Shares to Public b) Increase in Authorised Capital of the Company c) Adoption of New sets of Articles of Association d) Increase in borrowing limit under Section 180 (1) (c) of the Act e) Creation of charge on properties of the Company pursuant to Section 180 (1) (a) of the Act f) To approve Intercompany Loans and Investment in excess of limit prescribed under Section 186 of the Act g) To approve variation in terms of Compulsory Convertible Debentures of the Company.

The shareholders with requisite majority passed all the resolutions including special resolutions, set out in the respective notices. During the year under review, no resolutions have been passed through Postal Ballot.





No special resolution on the matters requiring postal ballot is proposed to be placed at the ensuing Annual General Meeting for shareholders' approval.

### 13. DISCLOSURES:

#### i) Disclosures on materially significant related party transactions:

There is no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the Company at large. The detailed related party information and transactions have been provided in Notes to Accounts forming part of Annual Report.

All related party transactions are negotiated at arm's length basis and are only intended to further the interest of the Company.

Web link for Policy on Dealing with Related Party Transactions:

<http://www.planetradiocity.com//images/about-us/presscoverageimg/Policy%20on%20Related%20Party%20Transactions%20-%20MBL1491476649.pdf>

#### ii) Policy on Material Subsidiaries:

Pursuant to requirements of Listing Regulations, the Company has adopted the policy determining material subsidiaries and the said policy is available on the Company's website at [www.planetradiocity.com](http://www.planetradiocity.com).

Web link for Policy for determining 'material subsidiaries' is disclosed:

<http://www.planetradiocity.com//images/about-us/presscoverageimg/Policy%20for%20Determining%20Material%20Subsidiaries%20-%20MBL1491476544.pdf>

#### iii) Pecuniary Relationship and Transactions of Non-Executive Director with MBL:

The Company pays sitting fees to Non-Executive Directors as detailed 7(B) above.

#### iv) Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital market:

The Equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited w.e.f. March 17, 2007. There has never been an instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority in relation to capital market.

#### v) Policy on Insider Trading:

The Company has formulated the Code of Conduct for the Prevention of Insider Trading (Code) in accordance with the guidelines specified under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Compliance Officer under this code is responsible for complying with the procedures, monitoring adherences to the rules for the prevention of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of Code of Conduct under the overall supervision of the Board. The Company's Code inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished Price Sensitive Information in relation to the Company during prohibited period which is notified to all sufficiently in advance. The Company's updated Code is available on Company's website.

#### vi) Disclosure of commodity price risks and commodity hedging activities:

Not Applicable

#### vii) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place, details of which have been furnished in the Board of Directors' Report. The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee

#### viii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein.

#### Adoption of Non-mandatory requirement:

Part C of Schedule V of the Listing Regulations states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

#### a) The Board

The Company does not defray any expenses of the Chairman's Office.



b) **Shareholder Rights:**

The Company's quarterly and half-yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members. Quarterly/ Half yearly/ Annual results of the Company shall be displayed on the website of the Company i.e. [www.planetradiocity.com](http://www.planetradiocity.com)

c) **Modified opinion(s) in Audit Report:**

For the Financial Year ended March, 2017, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements

d) **Separate posts of Chairman and Chief Executive Officer (CEO):**

The Company has separate posts of Chairman (Non-Executive) and CEO.

e) **Reporting of the Internal Auditor :**

The Internal Auditor reports directly to the Audit Committee.

#### 14. MEANS OF COMMUNICATION:

**Quarterly results:** Since the Company got listed on March 17, 2017, the quarterly, half yearly and yearly financial results of the Company shall be mailed /sent to the stock exchanges after they are approved by the Board. These are also published in all editions of Business Standard (English) and Navshakti (Marathi, the regional language) Newspapers, in the prescribed format as per the provisions of the Listing Agreement. The financial results, official releases and other relevant information are regularly and promptly updated on the web site of the Company namely [www.planetradiocity.com](http://www.planetradiocity.com).

**Newspaper wherein results normally published:** Business Standard (English) and Navshakti (Marathi, the regional language) Newspapers.

**Website:** The Company's website ([www.planetradiocity.com](http://www.planetradiocity.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Whether website also displays official news releases:**

The Company has maintained a functional website [www.planetradiocity.com](http://www.planetradiocity.com). containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, codes, compliance with corporate

governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

**Presentations to institutional investors / analysts:** The Company was listed with BSE and NSE on March 17, 2017. The Company shall ensure that detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results for the upcoming financial year.

These presentations will also be uploaded on the Company's website ([www.planetradiocity.com](http://www.planetradiocity.com)).

**Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto.

**Communique/ Reminder to Investors:** The Company also takes into consideration the shareholders queries, complaints and suggestions which are responded timely and in consistent manner. Shareholders can contact Company directly as well as Registrar & Transfer Agents, Karvy Computershare Private Limited for their services.

Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures, if required, shall be sent to shareholders as per records every year.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.



Designated Exclusive email-id: The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report:  
investor@myradiocity.com

For queries in respect of shares in physical mode:  
einward.ris@karvy.com

Company by the Ministry of Corporate Affairs (MCA) is L64200MH1999PLC137729.

#### Annual General Meeting:

The ensuing Annual General Meeting ("the AGM") of the company will be held on Thursday, September 14, 2017 at 3.00 pm, at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050.

## 15. GENERAL SHAREHOLDERS' INFORMATION:

### Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the

### Financial Calendar (tentative):

1. Financial year: The Company's accounting year comprises of 12 months period from April 01 to March 31. Tentative calendar for financial year ending March 31, 2018.
2. The tentative dates of Meeting of the Board of Directors for consideration of financial results for the financial year ending March 31, 2018 are as follows:

First Quarter ended June 30,2017	On or before August 14, 2017
Second Quarter and Half Year ended September 30, 2017	On or before November 14, 2017
Third Quarter and Nine Months ended December 31, 2017	On or before February 14, 2018
Fourth Quarter and Annual for the year ended March 31,2018	On or before May 30, 2018

### Book Closure:

The Register of Members and Share Transfer Books of the company will remain closed from September 08, 2017 to September 14, 2017 (both days inclusive).

### Listing on Stock Exchanges:

Type of Securities	Name of Stock Exchange	Stock Code	Address of Stock Exchange
Equity Shares	BSE Limited (BSE)	540366	Phiroze Jeejeebhoy Towers; Dalal Street Mumbai- 400001
Equity Shares	National Stock Exchange of India Limited (NSE)	RADIOCITY	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051
Secured Redeemable Non-Convertible Debentures	BSE Limited (BSE)	951797 (Series B) & 951798 (Series C)	Phiroze Jeejeebhoy Towers; Dalal Street Mumbai- 400001

The Company's equity shares are listed and traded from March 17, 2017 on the following Stock Exchanges and in terms of Regulation 14 of the Listing Regulations, the listing fees for the Financial Year 2017-18 have been paid to both the Stock Exchanges

International Securities Identification Nos (ISIN) for Equity Shares of Company is INE919I01016 and ISIN for Secured Redeemable Non-convertible Debentures of the Company are INE919I07021 (Series B) & INE919I07039 (Series C) respectively.

### Payment of Depository Fees:

The Company has paid annual custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2017-2018 on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2017.



### Stock Data:

The table below shows the monthly high and low share prices and volumes of Music Broadcast Limited at NSE and BSE for the year ended March 31, 2017.

Monthly share price data and volumes, NSE/BSE (effective from March 17, 2017)

MONTH	NSE			BSE		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
March 2017	415.00	348	2,45,99,924	420.00	348.55	53,88,178

Source: NSE and BSE Websites.

**Note:** Closing share prices are considered

The high and low prices of company Equity shares listed with BSE & NSE is compiled on the basis of the data available at BSE & NSE Website respectively from the effective date of listing of company on stock exchanges i.e. March 17, 2017.

### Share price Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty:

Performance in comparison to broad-based indices viz. Nifty 500 and BSE Sensex:

Date	Nifty 500	Company's Share on NSE
March 17, 2017	7933.10	372.90
March 31, 2017	7995.05	360.55
Change	0.78%	(3.31%)

Date	BSE Sensex	Company's Share on BSE
March 17, 2017	29,648.99	373.15
March 31, 2017	29,620.50	358.25
Change	(0.01%)	(4%)

Source: NSE and BSE Websites

**Note:** Closing share prices are considered

\* On March 17, 2017 shares of the Company are listed on stock exchanges.

### In case the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

### Registrar and Transfer Agents & Share Transfer System:

In terms of SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002, the Company is providing facility of a common agency for all the work related to share registry in terms of both physical and electronic at a single point by its Registrar and Share Transfer Agents, (RTA) i.e., Karvy Computershare Private Limited, whose address is given below:

#### Karvy Computershare Private Limited:

Karvy Selenium Tower B  
Plot No.31-32 Gachibowli, Financial District  
Nanakramguda, Hyderabad-500 032; India  
Fax: 040-23001153; E-mail id - einward.ris@karvy.com

#### Contact Person:

**Mr. B. Venkata Kishore,**  
Karvy Computershare Private Limited,  
Tel no. 040-6716 1500

Presently, the share transfers which are received in physical form and requests received for dematerialisation/rematerialisation of shares are processed and the share certificates are returned within the stipulated time as specified under the Listing Regulations and other applicable provisions of the Companies Act, 1956 (and the Companies Act, 2013 from the effective date), subject to the documents being valid and complete in all respects.

Ms. Apurva Purohit, Director or Mr. Chirag Bagadia, Company Secretary are severally empowered to approve transfer. The Company obtains from a Practising Company Secretary half yearly certificate of compliance as required under Regulation 40 of Listing Regulations and files the same with Stock Exchanges where the securities of the Company are listed.



#### Secretarial Audit for Reconciliation of Capital:

The Securities and Exchange Board of India has directed vide circular no. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the Depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital. The said certificate, duly signed by the Practicing Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Certificate from the secretarial auditor of the Company M/s Deepak Rane, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 of Listing Regulations, is attached to the Directors Report forming Part of the Annual Report.

#### Shareholding Pattern:

Table below shows the shareholding pattern of Music Broadcast Limited as on March 31, 2017.

#### a) Distribution of Shareholding by size, as on March 31, 2017:

Category		Number of Cases	% of Cases	Number of Shares	Amount (In ₹)	% of Amount
From	To					
1	5000	47,143	98.7660	2,368,025	23,680,250	4.1504
5001	10000	263	0.5510	211,478	2,114,780	0.3707
10001	20000	119	0.2493	180,553	1,805,530	0.3165
20001	30000	46	0.0964	114,713	1,147,130	0.2011
30001	40000	19	0.0398	67,512	675,120	0.1183
40001	50000	26	0.0545	119,806	1,198,060	0.2099
50001	100000	46	0.0964	348,802	3,488,020	0.6113
100001	Above	70	0.1467	53,643,890	536,438,900	94.0217
<b>Total</b>		<b>47,732</b>	<b>100</b>	<b>57,054,779</b>	<b>570,547,790</b>	<b>100</b>

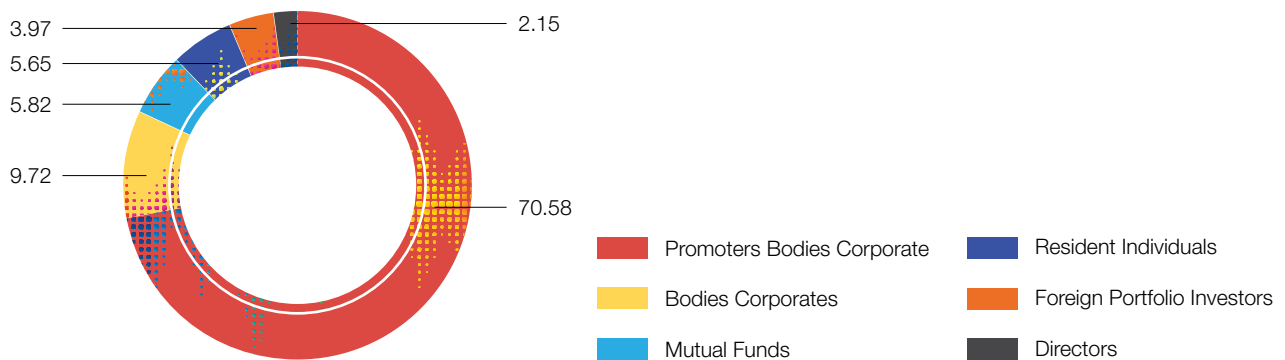
#### b) Categories of Shareholding as on March 31, 2017:

Sr. No.	Category	No. Shares held	% of holding
1	Promoters Bodies Corporate	40,268,517	70.5787
2	Bodies Corporates	5,546,210	9.7209
3	Mutual Funds	3,320,833	5.8204
4	Resident Individuals	3,223,308	5.6495
5	Foreign Portfolio Investors	2,265,742	3.9712
6	Directors	1,228,500	2.1532
7	Promoter Group	466,482	0.8176
8	Clearing Members	279,749	0.4903
9	NBFC	230,100	0.4033
10	HUF	177,604	0.3113
11	Banks	32,000	0.0561
12	Non Resident Indians	11,255	0.0197
13	Non Resident Indian Non Repatriable	3,979	0.0070
14	Trusts	500	0.0009
<b>TOTAL</b>		<b>57,054,779</b>	<b>100</b>



## DETAILS OF SHAREHOLDING

(%)



### c) Dematerialization of shares as on March 31, 2017:

As per the directions of SEBI, the Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2017, 56,864,779 equity shares constituting nearly 100 % of the total share capital of the Company were held in dematerialized form.

#### Status of Dematerialisation as on March 31, 2017

Particulars	No. of Shares	% of Total
National Securities Depository Limited	54,103,405	94.8271
Central Depository Services (India) Limited	2,761,374	4.8399
Total Dematerialized	56,864,779	99.667
Physical form	190,000	0.333
<b>Grand Total</b>	<b>57,054,779</b>	<b>100</b>

The Company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited.

**Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable

#### Location of Studios:

Out of our total presence in 39 cities, we have studios at the below mentioned 28 locations; 11 cities namely Sangli, Nanded, Jalgaon, Sholapur, Akola, Kota, Bikaner, Hissar, Ajmer, Jamshedpur and Patiala are our networking stations.

Sr. No	Name of the City where Studio is located	Address of the Studio Office
1.	Bangalore	4 <sup>th</sup> floor, Vakil Square Building, No.56/3, Gurappanapalya, Bannerghatta Main Road, Bangalore - 560 029.
2.	Hyderabad	203, M.J.Towers, 8/2/698, Road no.12, Banjara Hills, Hyderabad - 500034.
3.	New Delhi	203, Okhla Indl. Estate, Phase III, New Delhi - 110 020.
4.	Jaipur	Geetanjali Tower, 301/307, 3 <sup>rd</sup> Floor, Ajmer Road, Jaipur-302006.
5.	Lucknow	1 <sup>st</sup> Floor, Shalimar Square, 126/31, B.N.Road, Lalbaug, Hazratganj, Lucknow - 226 001.
6.	Chennai	3 <sup>rd</sup> Floor, Citi Tower, 117, Thyagaraya Road, T Nagar, Chennai- 600 017
7.	Ahmedabad	Office No.404-406, Sarthik Square, Near GNFC Tower, S.G. Highway Ahmedabad-380054.
8.	Vadodara	201-202, P.G.Square Bldg, 2 <sup>nd</sup> Floor, Near Rajjee Tower, Old Padra Main Road, Vadodara-390 015.
9.	Surat	Office NO.712-716, D Block, 7 <sup>th</sup> Floor, ITC Tower, Majura Gate, Ring Road, Surat - 395 002.
10.	Nagpur	4 <sup>th</sup> Floor, Mangalam Marvel, 232, Dharampeth, Nawab Area, West High Court Road, Nagpur-440 010.
11.	Pune	6 <sup>th</sup> Floor, Vega Center, D-Wing, Shankar Sheth Road, Pune - 411 037



Sr. No	Name of the City where Studio is located	Address of the Studio Office
12.	Ahmednagar	First Floor, Office No. 13, 14 & 15, Business Centre, Professor Colony Chowk, Ahmednagar 414003.
13.	Mumbai	5 <sup>th</sup> Floor, RNA Corporate Park, Off western Express Highway, Kalanagar, Bandra (E), Mumbai 400051.
14.	Vishakapatnam	4 <sup>th</sup> Floor, Unit no. 504 & 505, Signature Towers, Asilmetta Main Road, Close to Bus Terminus, Vishakapatnam – 530003.
15.	Coimbatore	1619, 9 <sup>th</sup> Floor, Cherraan Plaza, Trichy Road, Opp Kannan Departmental Store, Coimbatore - 641018.
16.	Agra	E-12/8, Seventh Floor, Shri Vrindavan, Sanjay Palace Agra-282002.
17.	Gorakhpur	Ground Floor, Balram Tower, Rustampur, Gorakhpur-273016.
18.	Varanasi	Plot No.321, Purana G.T.Road, Nadesar, Varanasi -221002
19.	Jalandhar	401-404, 4 <sup>th</sup> Floor, Grand Mall, Near BMC Chowk, Jalandhar, Punjab-144001
20.	Ranchi	Rukmini Towers, 6 <sup>th</sup> Floor, Harmu Road, Ranchi -834001
21.	Kanpur	Jagran Building, 2, Sarvodaya Nagar, Kanpur - 208005
22.	Nashik	1 <sup>st</sup> Floor, Indira Heights, Gangapur Naka, Near Pramod Mahajan Garden, Old Gangapur Road, Nashik -422005
23.	Udaipur	5 <sup>th</sup> Floor, Raj Tower, 222/21, Saheli Marg, Udaipur-313004
24.	Bareilly	R.S.Towers, 165, Civil Lines, Station Road, Bareilly -243001
25.	Karnal	SCO-249, Sector-12, P1, 2 <sup>nd</sup> Floor, Urban Estate, Opp Mini Secretariat, Karnal – 132001
26.	Kolhapur	Nucleus Heights, 4 <sup>th</sup> Floor, Unit No.401, Tarabai Park, Near Circuit House, Kolhapur – 416003
27.	Patna	C/O Jagran Prakashan Ltd., C-6, Industrial Area, Pataliputra, Patna.-800013
28.	Madurai	61/4B, 3 <sup>rd</sup> Floor, Pattu Arcade, Bypass Road, Ram Nagar, Madurai - 625010. Tamil Nadu.

**Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on Equity:** Nil

**Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of the Listing Regulations, with reasons thereof shall be disclosed:**

The Company has complied with the requirements of corporate governance report of sub paras (2) to (10) of the Schedule V of the Listing Regulations except compliance relating to the composition of the Board of Directors.

**Green Initiative for Paperless Communications:**

Ministry of Corporate Affairs (“MCA”) had taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies through electronic mode. The Companies Act, 2013 and the Listing Regulations has also allowed the Company to serve notice/documents/Annual Report to its shareholders through electronic mode.

The Company whole-heartedly appreciates this initiative taken by MCA, being an ardent supporter of pro-environment causes. Not only will such a move benefit the environment but will also enhance shareholder experience by enabling the Company to deliver communications promptly and securely and avoid losses/delays in postal transit. It is a step in the right direction being efficient both, economically and ergonomically.

As a part of this, the Company will be sending notices/documents such as Annual Reports and notices by e-mail to the members who have registered their e-mail address. To support this creditable move of the Government, the members who have not registered their e-mail address, so far, are requested to do so at the earliest, in respect of Demat holding through their respective Depository Participant (DP) and in respect of physical holding through the Registrars and Share Transfer Agents, M/s. Karvy Computershare Private Limited.

We wish to inform you that in addition to receiving the documents through your registered e-mail, you can also access the same through Company’s website: [www.planetradiocity.com](http://www.planetradiocity.com). While every notice/document will be sent through e-mail address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate the same by an e-mail to [investor@myradiocity.com](mailto:investor@myradiocity.com) and the same shall be sent to your address registered with the Company/DP. We solicit your patronage and support in joining hands with the Company to implement the Green Initiative.



### Non-Convertible Debentures:

The Company has 1,500 Secured Redeemable Non-Convertible Privately Placed Debentures (NCDs) per detail given below. These NCD's are listed at BSE Limited.

#### Details of Non-Convertible Debentures:

Series of Debentures	ISIN NO.	Tenure	Distinctive No.	Face value (in ₹)	Total (Amount In ₹)
Series B	INE919I07021	3 years	501-1500	10,00,000	100,00,00,000/-
Series C	INE919I07039	5 years	1501-2000	10,00,000	50,00,00,000/-

During the year, the Company has redeemed 500 Privately Placed 9.70% p.a. Secured, Listed, Redeemable Non-Convertible Debentures (Series- A, ISIN INE919I07013) for the face value ₹10,00,000/- on maturity on March 04, 2017 and 8,274 Unsecured Non-Convertible Debentures of ₹ 1,00,000/- each issued to Jagran Prakashan Limited having coupon rate of 8.50% p.a. out of the proceeds of IPO on March 17, 2017.

### Information pursuant to Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 are as under:

Pursuant to requirements of Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has adhered the procedural requirements specified in Schedule VI while dealing with securities issued to the public issue, physical or otherwise, and there are 360 shares that are unclaimed /lying in the escrow account as on March 31, 2017.

### Investor services:

The Company under the overall supervision of Mr. Chirag Bagadia, Company Secretary and Compliance Officer is committed to provide efficient and timely services to its shareholders. The Company has appointed M/s. Karvy Computershare Private Limited as its Registrar and Share Transfer Agents for rendering the entire range of services to the shareholders of the Company in regard to share transfer, refund, rematerialization, dematerialization, change of address, change of mandate, dividend etc.

### Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholder/s pursuant to the provisions of Section 72 of the Companies Act, 2013. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with depository participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

### Address for correspondence:

Investors and shareholders can correspond with the Company at the following address:-

#### The Company Secretary,

Music Broadcast Limited,  
5<sup>th</sup> Floor, RNA Corporate Park,  
Off. Western Express Highway, Kalanagar,  
Bandra (East), Mumbai – 400051;  
Tel: +91 22 66969100 Fax: +91 22 26429113;  
E-mail: investor@myradiocity.com;  
Website: www.planetradiocity.com

### The Registrar and Share Transfer Agents of the Company are:

Karvy Computershare Private Limited  
Karvy Selenium Tower B; Plot No.31-32 Gachibowli,  
Financial District; Nanakramguda, Hyderabad-500 032;  
India; Phone: 040-67161563; Fax: 040-23001153  
E-mail id - einward.ris@karvy.com



**The Debenture Trustees (for privately placed debentures) of the Company are:****IDBI Trusteeship Services Limited**

Asian Building, Ground Floor, 17,  
R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001.  
Tel: 022 40807000

**Disclosure of Compliance with corporate governance requirements:**

The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

I, Vijay Tandon, Chairman, do hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2016-2017 as laid down by the Company.

**Date:** May 25, 2017

**Place:** Mumbai

**For and on Behalf of the Board**

**Vijay Tandon**

Chairman



**CERTIFICATION UNDER REGULATION 17 (8) OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Abraham Thomas, Chief Executive Officer and Prashant Domadia, Chief Financial Officer of Music Broadcast Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31, 2017 and to best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that: -
  - (a) there have been no significant changes in internal control during this year except that control over certain areas has been further strengthened.
  - (b) there have been no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Music Broadcast Limited

**Mr. Abraham Thomas**  
Chief Executive Officer

**Mr. Prashant Domadia**  
Chief Financial Officer

May 25, 2017



**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To  
The Members,  
Music Broadcast Limited

I have examined the compliance of conditions of Corporate Governance by Music Broadcast Limited for the year ended 31<sup>st</sup> March, 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock Exchanges).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the condition of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

I further state that my examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date:** May 25, 2017

**Place:** Mumbai

**Deepak Rane**

Practicing Company Secretary

Proprietor

A.C.S No 24110

C.P No: 8717



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar import. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditure, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## 2. OVERVIEW

In the post-Brexit and post-Trump era that we are all learning to grapple with, and the early warning signals we are seeing of increasing protectionism and closing boundaries, the Indian economy continues to be a shining albeit flickering light in the world economy. Latest official estimates project a GDP growth rate of 7.1 percent for the year 2016-17 which is lower than the one attained in the previous fiscal. Inflation is also well within control and fiscal deficit will not cause worry even if it exceeds the target. Thus, macro fundamentals of the economy which typically are used to highlight the strength of an economy are positive and seem to suggest a foundation of higher growth, diversified prosperity and well ness. Even the business confidence and the consumer confidence indices are high suggesting a platform for increased level of economic activity supported by a spurt in demand

However, the challenges which the economy is currently facing are serious in nature and are likely to come in the way of materialization of these expectations and demand escalation in the near future. These challenges are unemployment, underemployment, one of lowest gross fixed capital formation and increasing inequality in distribution of income despite the government's good intentions. While a 7% plus growth being recorded year after year for more than 3 years makes the Indian economy the fastest growing economy of the world; joblessness and underemployment are the key risks to the sustainability of this kind of growth in the medium to long term.

In fiscal 2016-17, the growth in manufacturing and mining remained muted and was lower than the previous year. It was agriculture that helped the country register growth exceeding 7% due to a good monsoon. The year began with a lot of optimism. However, the growth expected, with the implementation of the 7th pay commission and a good monsoon, to the economy and to the media and entertainment industry which thrives on increased income

and liquidity, did not materialize. The economy did very well till the end of the festive season; demonetisation, however derailed the progress and growth nosedived for everyone. In fact, many categories reported steep de-growth in sales in the months after demonetisation and Quarter Three was severely affected. We, however, believe that the pains caused by demonetisation are short term in nature and will recede in a couple of quarters. But, returning to the growth levels of 2015-16 may take more than a year.

The year 2016-17 will also go down in Indian history as a year of one of the biggest ever financial reforms in the form of GST which is expected to be rolled out from July 2017. There is no doubt that this was a long awaited and much needed reform and will help the Indian economy in the medium to long term, but its short term impact on growth and consumption is uncertain largely because of initial teething problem in implementation, application and enforcement.

Exports, for India have been a growth engine and off shore employment opportunities have provided jobs to many Indians but we can no longer rely on exports nor depend on these opportunities in the current protectionist environment. The need of the hour is to fundamentally reignite domestic consumption and create job opportunities at a faster pace through reimagining our economic strategies.

## 3. INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

The Indian Media industry grew at 9.1% which was the slowest growth registered in the last five years due to the adverse impact of demonetisation. While a 9.1% growth as compared to global benchmarks is very attractive, however by Indian standards it is far from satisfactory. This drop reaffirms the discretionary nature of advertising spends in the country and the impact that any large scale turbulence in the economy and the resultant consumption can have on this industry, as may be seen from the table below:

Industry	Pre demonetisation	Post demonetisation
	Projected Growth	Actual Growth
TV	13.8%	8.5%
Print	7.7%	7.0%
Films	14.8%	3.0%
Radio	18.2%	14.6%
Digital Advertising	34.9%	28.0%
Music	12.0%	13.0%
Animation and VFX	14.1%	16.4%
Gaming	16.2%	16.2%
OOH	16.0%	7.0%
<b>Total</b>	<b>13.7%</b>	<b>9.1%</b>

Source: FICCI KPMG report on M&E sector 2016-17



Television grew at 8.5% primarily due to a lackluster year for subscription revenues and speed bumps in advertisement revenue growth primarily due to slower domestic consumption and the Broadcast Association Research Council (BARC) data recalibration. Print revenue grew at 7% as English language newspapers continued to be under stress. However Regional languages sustained their strong growth levels. Films had a disappointing year with mere 3% growth on the back of poor box office performance of Bollywood and Tamil films. Digital advertising continued its momentum with a 28% growth to reach 15% share in the overall ad-pie. OOH segment registered a slowdown in growth rate at 7% on the back of demonetisation. Although billboards continue to account for the largest revenue pie, new metro lines, malls, corporate parks and leading airports are providing a much needed boost to the overall sector. Radio registered a 14.6% growth led by volume enhancements in smaller cities, partial roll out of batch 1 of phase III stations and marginal increase in effective rates.

In India, the ratio of advertising expenditure to GDP has continued to be less than 0.50% for several years. This is substantially lower in comparison to the developed economies as well as other developing economies. We believe that the long term growth trajectory of this industry is a viable and strong reality and the future is very sanguine. This growth however can happen only on the back of balanced distribution of per capita income through creation of employment opportunities commensurate with India's increasing employable work force.

#### 4. RADIO INDUSTRY

The radio industry has grown by 14.5% CAGR in 2016, which is faster than other traditional media like Print and TV on the back of offering localised reach at an affordable price.

Radio's share in the overall advertising pie is currently at 4-5%, which is much lower than many other developed countries. Globally the share of radio in overall ad spends is between 7-10%, which clearly demonstrates headroom for growth.

In FY16-17, the radio industry was on a growth trajectory till demonetisation affected it on 8th November 2016. Local advertisers were severely impacted due to shortage of cash and national advertisers realigned spends to match consumer spending. Sectors like real estate, retail and e-commerce cut back their ad spends. For the Radio Industry H2, which is the bigger growth driver on account of the festive spike and financial year- end, got adversely impacted resulting in an annual setback of approx. 4% muting overall growth to around 10%. However, spends by Government and e-wallet players helped compensate the de-growth to a certain extent

The continued growth in inventory utilization, especially in the smaller cities and the increase in rate in the larger cities however suggests that the double digit growth momentum for the FM industry will continue.

#### 5. FMISATION OF THE COUNTRY

The completion of first batch of Phase III auctions further provided strong tail winds to the radio industry. Though expensive, it was considered successful with 96 channels out of 135 channels getting allocated. Networks who won channels in A+ and A cities went ahead with quick launches due to existing consumer base and lesser infrastructure development cost. Launches in B, C and D cities were slower due to unavailability of adequate infrastructure and also time spent to determine appropriate content in these untested cities.

The I&B Ministry was quick to announce the second batch of Phase III, which was a positive step to not only deepen the reach of Radio to Tier II and Tier III cities across the country, but will also lead to infrastructure development and job creation. However because of higher reserve prices, many operators decided not to participate in the Phase III second batch, resulting in a dull response. The MIB is yet to firm up the dates for the next batch of auctions and the industry is hopeful that the regulator will rationalise the reserve prices and other regulations to encourage more participation.

Along with Phase III batch 1 & 2 Industry witnessed the first round of consolidation. The lock in period of three years is getting over by 31st March 2018; and the second round of consolidation is expected wherein single channel operators in metros and mini metros or regional players who need to withstand the high cost of NOTEF may be ready to merge into larger brands.

Our understanding of Listenership penetration in cities where FM radio is present suggest that it is 60% of population largely because FM radio provides curated music based on the mood mapping, a better city connect with local news and a trusted companion in the form of RJ's which cannot be substituted by any other music medium

#### 6. OUTLOOK

With an expected CAGR of 16 %, the radio industry is looking to double its size by the end of 2021. We are optimistic about the future and expect an increase in listenership and advertiser base, positive economic growth, higher penetration in smaller cities and better pricing from the Government for the remaining Phase III auctions. Radio is likely to become a more valuable medium to advertisers, providing a deeper region-wise range of channels and hence is set to be a stronger alternative to print and regional TV both for national and local advertisers.



## 7. AWARDS AND RECOGNITIONS

Recognising leadership position, various distinguished bodies have bestowed 31 Awards during the year as listed below:

Radio City	
IRF Awards - Excellence in radio awards	8
Emvies - Band Baaja competition	3
Golden Mikes	9
Asia Pacific Consumer Awards	4
New York Festival Radio Awards	3
WOW Awards	2
Grand Prix	1
Limca Book of Records	1

## 8. RISKS AND CONCERNS

The management regularly reviews various businesses operational and functional risks and has instituted appropriate control procedures to mitigate those risks. As on date, the management identifies following risks:

**Competition risk:** The Company faces competition from peers which challenges the profit earning capacity. The Company manages the risk from competition on the basis of strength of its content and brand.

**Demand risk:** The Company derives majority of its revenue from sale of radio airtime and any shortfall in sale of airtime impacts the profits disproportionately. The Company manages the risk by taking increase in prices.

**Financial risk management:** The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out under policies approved by the board of directors which provides principles for overall risk management.

**Liquidity risk:** The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of the liquidity position, cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs.

**Capital management:** The Company's objective when managing capital is to safeguard the Company's ability to provide returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Consistent with the industry standards the Company monitors capital on the basis of net debt to equity ratio which has stands at -0:3 in 2017 against 0.9 in the previous year.

## 9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal control has been put in place in all areas of operations. The role and responsibility of all managerial positions are established, monitored and controlled regularly. All transactions are authorised, timely recorded and reported truly and fairly. To ensure adherence to the laid-down systems, apart from internal reporting and monitoring, the Company has put in place formal Internal Audit System commensurate with the size and nature of the business. Internal audit is conducted by one of the big 4 accounting and consultancy firm who submit report to the management through audit committee periodically.

## 10. SEGMENT PERFORMANCE

The Company is engaged primarily in the business of operating Private FM Radio Stations which constitutes a single reportable segment as per IND AS 108 on Segment Reporting.

## 11. FINANCIAL PERFORMANCE

The financials discussed herein below should be evaluated in the light of the fact that the financial statements have been prepared for the first time applying IndAS and accordingly even the previous year's figures have been regrouped/recast to make them comparable with the current year's figures. Additionally, the previous year's figures have also been changed on account of giving effect to the schemes of arrangement (the "Scheme") for amalgamation of Crystal Sound and Music Private Limited ("Crystal") and Spectrum Broadcast Holdings Private Limited ("Spectrum") with Jagran Prakashan Limited ("JPL" or "Amalgamated Company"), and the demerger of radio business undertaking of Shri Puran Multimedia Limited ("Demerged Company") into Music Broadcast Limited ("Company"). Subsequently approval from Ministry of Information & Broadcasting ("MIB") was received on November 18, 2016. These schemes have become effective from the appointed date of 1st January 2016 as approved by the jurisdictional high courts.



## (i) Profit and Loss:

(₹ in lakhs- rounded off)

	Year ended March 2017	Percentage	Year ended March 2016	Percentage
<b>Income</b>				
Revenue from Radio Airtime Operation	27,141.61	98.4	22,547.66	93.9
Other Income	288.01	1.0	1286.87	5.4
Other gains and Losses	155.64	0.6	187.95	0.8
<b>Total Income</b>	<b>27,585.26</b>	<b>100.0</b>	<b>24,022.48</b>	<b>100.0</b>
<b>Expenditure</b>				
Licence fees	1,921.95	8.8%	1,716.48	9.3%
Employee benefit expense	6,507.14	29.7%	5,112.34	27.7%
Depreciation and amortisation expense	1,967.69	9.0%	1,672.33	9.1%
Other expenses	9,587.32	43.8%	7,905.03	42.8%
Finance cost	1,901.32	8.7%	2,066.08	11.2%
<b>Total Expenses</b>	<b>21,885.42</b>	<b>100.0%</b>	<b>18,472.26</b>	<b>100.0%</b>
<b>Profit before exceptional items and tax</b>	<b>5,699.84</b>		<b>5,550.22</b>	
Exceptional item	-		1,357.50	
<b>Profit before tax</b>	<b>5,699.84</b>		<b>4,192.72</b>	
Income tax				
-current tax	1,335.06		1,358.46	
-Deferred tax	698.87		72.01	
<b>Profit for the year</b>	<b>3,665.91</b>		<b>2,762.25</b>	
<b>Other comprehensive income(net of tax)</b>	<b>(111.28)</b>		<b>(33.99)</b>	
<b>Total comprehensive income for the year</b>	<b>3,554.63</b>		<b>2,728.26</b>	

**Revenue:**

**Total Income:** Our total Income increased by 14.83% from ₹ 24,022.48 lakhs in fiscal 2016 to ₹ 27,585.26 lakhs in fiscal 2017, primarily due to an increase in our revenue from operations by ₹ 4,593.95 lakhs. The other income reduced by ₹ 1,031.17 lakhs during this period.

**Revenue from operations:** Revenues from operations representing Radio Airtime increased by 20.37% from ₹ 22,547.66 lakhs in Fiscal 2016 to ₹ 27,141.61 lakhs in Fiscal 2017 (including additional revenue for 9 months of ₹2104 lakhs for 8 radio stations acquired from SPML) primarily due to increase in advertising volumes in small markets and volume and rate hike in larger markets.

**Other income:** The other income decreased by 69.92% from ₹ 1,474.82 lakhs in Fiscal 2016 to ₹443.65 lakhs in Fiscal 2017. This is primarily due to decrease in interest income by ₹1,016.86 lakhs earned by the Company in fiscal 2016 on funds temporarily parked (raised through NCDs) which has been utilized for payment of Migration fees for existing stations and One Time Entry fee for 11 new stations.

**Other Gains:** This represents net gain on financial assets mandatorily measured at fair value through profit and loss account, net gain on sale of investments and other miscellaneous income.

**Expenditure:**

**Total Expenditure:** Our total expenses increased by 18.48% from ₹ 18,472.26 lakhs in Fiscal 2016 to ₹ 21,885.42 lakhs in fiscal year 2017.

**License Fees:** Amounts paid towards license fees is primarily due to the additional 8 radio stations acquired from Radio mantra and 11 new stations launched during the second half of the Fiscal 2017.

**Employee benefits expense:** Employee benefit expenses increased by 27.28% from ₹5,112.34 lakhs in Fiscal 2016 to ₹6,507.14 lakhs in Fiscal 2017, primarily due to increase in head counts for 11 new stations and absorption of Radio Mantra employees in the company.

**Depreciation and amortisation expense:** Depreciation and amortisation expense increased by 17.66% primarily due to additional charge on assets capitalised under Phase III for 11 new stations and radio stations acquired from Radio Mantra.

**Finance costs:** Decrease in finance cost by 7.97% from ₹ 2,066.08 lakhs in Fiscal 2016 to ₹1,901.32 lakhs in Fiscal 2017 is because of interest on borrowings capitalised on One Time Entry Fee (OTEF) for new 11 stations.



**Other expenses:** Increase in other expenses by 21.28% from ₹7,905.03 lakhs in Fiscal 2016 to ₹9,587.32 lakhs in Fiscal 2017 was primarily due to:

- Increase in rentals and other operating /administration expenses by ₹631.60 from ₹ 2,751.03 in fiscal 2016 to ₹3,382.63 lakhs in fiscal 2017. This increase is primarily due to increase in number of new stations launched during the year and also 8 Radio Mantra stations transferred from SPML.
- Increase in Royalty expenses by ₹592.53 from ₹584.45 lakhs in fiscal 2016 to ₹1,176.98 lakhs in fiscal 2017. This increase is on account of increase in copyright royalty with respect to the music played on Web Radio stations.
- Increase in marketing and advertisement expenses by ₹337.31 from ₹ 2,060.43 lakhs in fiscal 2016 to ₹ 2,397.74 lakhs in fiscal 2017. This is partly due to expenses incurred towards advertisements and promotions in 11 new stations and partly for promotion of Initial Public Offer.

**Exceptional items** – In Fiscal 2016, Company declared one time incentive of ₹1,357.50 lakhs to certain employees.

Profits for the year increased by 32.71 % from ₹ 2762.25 lakhs in fiscal 2016 to ₹ 3665.91 lakhs in Fiscal 2017 due to above.

Adjusting for the items that will not be reclassified to profit and loss account, total comprehensive income for the year was ₹ 3554.63 lakhs as against ₹2,728.26 lakhs in fiscal 2016.

## (ii) Balance Sheet:

	(₹ in lakhs)	
	2016-17	2015-16
Total Equity	54810.84	21,002.82
Total Non-current Liabilities	5,531.14	15,390.15
Total Current Liabilities	15,769.26	12,577.88
<b>Total Equity and Liabilities:</b>	<b>76,111.24</b>	<b>48,970.85</b>
Total Non-current Assets	36187.42	36,221.11
Total Current Assets	39,923.82	12,749.74
<b>Total Assets:</b>	<b>76,111.24</b>	<b>48,970.85</b>

Total equity comprises of Paid up equity share capital, reserves and surplus, other reserves and equity component which has been recognised for the first time in consequence of adoption of IndAs. The equity capital has increased during the year due to the fresh issue of equity shares through initial public offering. The Compulsorily convertible debentures which is shown as equity component of compound financial instrument as on March 31, 2016 were converted to Non- convertible debentures and fully repaid during the year. Other reserves are reclassified from Capital reserves which are no longer statutorily required as on Fiscal 2017.

The major increase in Reserves and surplus is due to the increase in securities premium on account (₹37025.39) of money received from fresh issue of equity shares net of share issue expenses. The total comprehensive income for the year has reduced the losses in retained earnings.

Non-current liabilities represent long term borrowings and employee benefit obligations expected to be settled after one year. The borrowing has decreased during the year as ₹9,986.87 lakhs of non- convertible debentures has been shown as other current financial liabilities since the same is repayable within next twelve months.

Current liabilities consist of short term borrowings, trade payables, other current financial liabilities, other current liabilities.

The entire short term borrowings of ₹2,300 lakhs has been repaid during the year. The increase in other current financial liabilities is due to the increase in current maturity of non-convertible debentures from ₹4,981.52 lakhs in March 2016 (repaid during Fiscal 2017) to ₹9,986.87 lakhs in March 2017. Other current liabilities has been paid in Fiscal 2017 and accordingly reduced.

Non-Current Assets comprise tangible and intangible assets, intangible assets under development, financial assets, deferred tax assets, non- current tax assets and other non- current assets expected to be realizable after one year.

The tangible and intangible assets have increased during the current fiscal due to the capitalization of assets for 11 new stations launched during the year under the Phase III regime.

Decrease in deferred tax assets is partly due to the utilization of brought forward losses and partly due to reversal of impact on account of timing difference of depreciation and amortisation charge.

The non-current tax has decreased primarily due to the tax refund received for the earlier years.

Current Assets consists of investments in units of mutual funds, trade receivables, cash and cash equivalents, other bank balances, other financial and current assets expected to be realized with within next twelve months. There is an increase in current investments by ₹ 1,207.77 lakhs compared to last year with the internal accruals generated from business. There is a significant increase in the cash and cash equivalent and other bank balances. This increase is primarily on account of money received from issue of equity shares through initial public offering and deposited in schedule commercial banks until utilization as per object of offer. The trade receivables have increased in proportion to increase in scale of operations.





## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MUSIC BROADCAST LIMITED REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements Music Broadcast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and

pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### EMPHASIS OF MATTER

9. We draw attention to the note 25 of the financial statements in respect of Composite Scheme of Arrangement ("the Scheme"). The Company has applied the accounting treatment as prescribed in the Scheme approved by the Hon'ble High Court of Allahabad and Hon'ble High Court of Mumbai.

### OTHER MATTER

10. The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide report dated May 25, 2015. The adjustments to those financial



## INDEPENDENT AUDITORS' REPORT

statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

11. The financial information of the Company for the year ended March 31, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2016. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2017 taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- 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 A.
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 27;
  - The Company did not have any long-term contracts including derivative contracts as at March 31, 2017
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 33.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Anurag Khandelwal**

Partner

Place: Mumbai  
Date: May 25, 2017

Membership Number 078571



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Music Broadcast Limited on the standalone financial statements for the year ended March 31, 2017

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

### REPORT ON THE INTERNAL FINANCIAL CONTROLS MEANING OF INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of Music Broadcast Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

6. 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.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### AUDITORS' RESPONSIBILITY

3. 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

### OPINION

8. In our opinion, 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, 2017, 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.

4. 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Anurag Khandelwal**

Partner

Membership Number 078571

Place: Mumbai  
Date: May 25, 2017



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Music Broadcast Limited on the standalone financial statements as of and for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by

us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	5.02	2009-10	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	98.92	2009-10	Commissioner of Income Tax (Appeals)

The provisions relating to sales tax, wealth tax, value added tax, duty of customs and duty of excise not applicable to the Company.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer have been applied for the purposes for which they were obtained. Company has not raised any money by term loans.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Anurag Khandelwal**

Partner

Membership Number 078571

Place: Mumbai

Date: May 25, 2017



# BALANCE SHEET

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	3,534.22	822.67	708.76
Intangible assets	4	27,625.06	22,214.05	1,163.33
Intangible assets under development	4	-	6,566.28	28.94
Financial assets				
i. Investments	5 (a)	-	-	1.00
ii. Other financial assets	5 (f)	1,217.97	1,335.74	2,080.46
Deferred tax assets	12	2,524.10	3,164.09	2,160.56
Other non-current assets	6	1,112.53	1,460.48	120.11
Non current tax assets (net)	7	173.54	657.80	899.74
<b>TOTAL NON-CURRENT ASSETS</b>		<b>36,187.42</b>	<b>36,221.11</b>	<b>7,162.90</b>
<b>Current assets</b>				
Financial assets				
i. Investments	5 (a)	2,674.92	1,467.15	-
ii. Trade receivables	5 (b)	8,165.70	7,627.81	6,085.06
iii. Cash and cash equivalents	5 (d)	8,552.29	1,250.64	4,316.27
iv. Bank balances other than (iii) above	5 (e)	18,237.49	336.65	1,151.48
v. Loans	5 (c)	-	-	20,827.60
vi. Other financial assets	5 (f)	363.88	461.80	114.47
Other current assets	8	1,929.54	1,605.69	1,066.72
<b>TOTAL CURRENT ASSETS</b>		<b>39,923.82</b>	<b>12,749.74</b>	<b>33,561.60</b>
<b>TOTAL ASSETS</b>		<b>76,111.24</b>	<b>48,970.85</b>	<b>40,724.50</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	9 (a)	5,705.48	4,203.47	3,890.97
<b>Other equity</b>				
Equity component of compound financial instrument	10 (a)	-	8,274.00	-
Reserves and surplus	9 (b)	34,908.02	(5,671.99)	(9,882.98)
Other reserves	9 (c)	14,197.34	14,197.34	14,197.34
<b>TOTAL EQUITY</b>		<b>54,810.84</b>	<b>21,002.82</b>	<b>8,205.33</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Borrowings	10 (a)	4,991.10	14,978.36	28,271.74
Employee benefit obligations	11	540.04	411.79	292.26
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,531.14</b>	<b>15,390.15</b>	<b>28,564.00</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
i. Borrowings	10 (a)	-	2,300.00	-
ii. Trade payables	10 (b)	3,285.02	2,227.72	1,813.92
iii. Other financial liabilities	10 (c)	11,317.06	5,926.41	1,522.48
Employee benefit obligations	11	146.59	115.68	70.44
Other current liabilities	13	1,020.59	2,008.07	548.33
<b>TOTAL CURRENT LIABILITIES</b>		<b>15,769.26</b>	<b>12,577.88</b>	<b>3,955.17</b>
<b>TOTAL LIABILITIES</b>		<b>21,300.40</b>	<b>27,968.03</b>	<b>32,519.17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,111.24</b>	<b>48,970.85</b>	<b>40,724.50</b>

The above balance sheet should be read in conjunction with the accompanying notes

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (012754N/N500016)  
Chartered Accountants

Anurag Khandelwal  
Partner  
Membership Number-078571

Place : Mumbai  
Date : May 25, 2017

For and on behalf of the Board of Directors

Vijay Tandon  
Chairman

Apurva Purohit  
Director

Anuj Puri  
Director

Prashant Domadia  
Chief Financial Officer

Chirag Bagadia  
Company Secretary



## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	14	27,141.61	22,547.66
Other income (net)	15 (a)	288.01	1,286.87
Other gains/(losses) - net	15 (b)	155.64	187.95
<b>Total income</b>		<b>27,585.26</b>	<b>24,022.48</b>
<b>Expenses</b>			
Licence fees		1,921.95	1,716.48
Employee benefit expense	16	6,507.14	5,112.34
Depreciation and amortisation expense	17	1,967.69	1,672.33
Other expenses	18	9,587.32	7,905.03
Finance cost	19	1,901.32	2,066.08
<b>Total expenses</b>		<b>21,885.42</b>	<b>18,472.26</b>
<b>Profit before exceptional items and tax</b>		<b>5,699.84</b>	<b>5,550.22</b>
Exceptional items	20	-	1,357.50
<b>Profit before tax</b>		<b>5,699.84</b>	<b>4,192.72</b>
Income tax expense			
- Current tax	21	1,335.06	1,358.46
- Deferred tax		698.87	72.01
<b>Total tax expense</b>		<b>2,033.93</b>	<b>1,430.47</b>
<b>Profit for the year</b>		<b>3,665.91</b>	<b>2,762.25</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
-Remeasurements of post-employment benefit obligations		(170.17)	(51.98)
Add : Income tax relating to these items		58.89	17.99
Other comprehensive income for the year, net of tax		(111.28)	(33.99)
<b>Total comprehensive income for the year</b>		<b>3,554.63</b>	<b>2,728.26</b>
<b>Earnings per equity share for profit from operation attributable to owners of Music Broadcast Limited:</b>	29		
Nominal value of shares		10.00	10.00
Basic earnings per share (before exceptional item)		8.05	8.47
Diluted earnings per share (before exceptional item)		8.05	8.47
Basic earnings per share (after exceptional item)		8.05	6.47
Diluted earnings per share (after exceptional item)		<b>8.05</b>	<b>6.47</b>

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (012754N/N500016)  
Chartered Accountants

**Anurag Khandelwal**  
Partner  
Membership Number-078571

Place : Mumbai  
Date : May 25, 2017

For and on behalf of the Board of Directors

**Vijay Tandon**  
Chairman

**Apurva Purohit**  
Director

**Anuj Puri**  
Director

**Prashant Domadia**  
Chief Financial Officer

**Chirag Bagadia**  
Company Secretary



# STATEMENT OF CASH FLOWS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	5,699.84	5,550.22
Adjustments for:		
Depreciation and amortisation	1,967.69	1,672.33
Finance costs	1,901.32	2,066.08
Interest income	(161.65)	(1,172.95)
Interest on Income tax refund	(71.81)	(19.19)
Changes in fair value of financial assets at fair value through profit or loss	(54.06)	(47.16)
Unwinding of discount on security deposits	(54.55)	(94.73)
(Profit) on Fixed assets sold	(2.87)	(1.02)
(Profit) on Investments sold	(71.81)	(82.64)
Advance written-off	25.00	-
Liabilities written back	(3.23)	(15.40)
Allowance for doubtful debts and advances	76.05	412.69
Provision for gratuity and leave encashment	159.16	108.48
	<b>3,709.24</b>	<b>2,826.49</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>9,409.08</b>	<b>8,376.71</b>
Change in operating assets and liabilities :		
- (Decrease)/Increase in trade payables	1,057.34	175.43
- (Decrease)/Increase in other current liabilities	(999.65)	1,416.20
- (Decrease)/Increase in other financial liabilities	267.10	175.73
- (Increase) in trade receivables	(608.58)	(951.98)
- (Increase)/ Decrease in other financial assets	(139.46)	27.82
- (Increase)/ Decrease in non-current assets	71.28	(447.75)
- (Increase)/ Decrease in other current assets	(323.85)	(319.86)
	<b>(675.82)</b>	<b>75.59</b>
<b>Cash generated from operations</b>	<b>8,733.26</b>	<b>8,452.30</b>
<b>Direct taxes received/(paid)</b>	<b>(850.87)</b>	<b>(1,038.91)</b>
<b>Exceptional items</b>	<b>-</b>	<b>(1,357.50)</b>
<b>Net cash generated from operating activities</b>	<b>7,882.39</b>	<b>6,055.89</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(2,748.86)	(28,301.47)
Proceeds from Sale of Fixed Assets	4.77	1.02
Proceeds from sale of long term Investments	-	1.00
Proceeds from sale of Investments	2,209.03	4,027.64
Purchase of Investments	(3,300.00)	(5,365.00)
Repayment of Inter-Corporate Deposit Given	-	20,590.00
(Investment in)/Proceeds from Bank Deposits	(17,425.18)	1,541.57
Interest Received	177.44	1,531.21
<b>Net Cash Used In Investing Activities</b>	<b>(21,082.80)</b>	<b>(5,974.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan taken from related party	4,250.00	3,600.00
Repayment of loan to related party	(6,550.00)	(3,443.20)
Repayment of other current financial liabilities	(5,000.00)	(833.33)
Repayment of other non- current financial liabilities	-	(8,482.33)
Share issue Expenses	(1,773.41)	-
Repayment of advance given to Music Broadcast Employee Welfare Trust	285.00	-
Proceeds from Issue of debentures	-	8,274.00
Repayment of debentures	(8,274.00)	-
Proceeds from issue of equity shares	40,000.00	-
Interest and other finance cost paid	(2,435.54)	(2,271.08)
	<b>20,502.05</b>	<b>(3,155.94)</b>





(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Net Cash Used In Financing Activities</b>		
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>7,301.64</b>	<b>(3,074.08)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>1,250.65</b>	<b>4,316.27</b>
<b>"Add: Pursuant to Composite Scheme of Arrangement (Refer Note 25)"</b>	<b>-</b>	<b>8.46</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>8,552.29</b>	<b>1,250.65</b>
<b>Components of cash and cash equivalents</b>		
Cash on Hand	0.38	0.36
Bank Balances		
- in Current Accounts	2,541.96	1,250.29
- in Fixed Deposits (Less Than Three Months Maturity)	6,009.95	-
	<b>8,552.29</b>	<b>1,250.65</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (012754N/N500016)  
Chartered Accountants

For and on behalf of the Board of Directors

**Anurag Khandelwal**  
Partner  
Membership Number-078571

**Vijay Tandon**  
Chairman

**Apurva Purohit**  
Director

**Anuj Puri**  
Director

Place : Mumbai  
Date : May 25, 2017

**Prashant Domadia**  
Chief Financial Officer

**Chirag Bagadia**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

### A. EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Shares outstanding as at April 1, 2015		4,191.78
Less : Amount recoverable from Music Broadcast Employee Welfare Trust	9(e)	(300.81)
<b>As at April 1, 2015</b>		<b>3,890.97</b>
Changes in equity share capital	9(e)	312.50
<b>As at March 31, 2016</b>		<b>4,203.47</b>
Amount settled with Music Broadcast Employee Welfare Trust	9(e)	300.81
Changes in equity share capital		1,201.20
<b>As at March 31, 2017</b>		<b>5,705.48</b>

### B. OTHER EQUITY

Particulars	Notes	Equity component of compound financial instruments	Reserves and surplus			Retained earnings	Other Reserves	Total other equity
			Capital reserve	Securities premium reserve	Debt redemption reserve			
<b>Balance as at April 1, 2015</b>	9(b)	-	-	3,710.31	142.36	(13,735.66)	14,197.34	4,314.35
Profit for the year		-	-	-	-	2,762.25	-	2,762.25
Other comprehensive income		-	-	-	-	(33.99)	-	(33.99)
<b>Total comprehensive income for the year</b>		-	-	-	-	2,728.26	-	2,728.26
Compulsorily convertible debentures issued to Holding Company	10(a)(iv)	8,274.00	-	-	-	-	-	8,274.00
Transfer to debenture redemption reserve	9(b)(iii)	-	-	-	1,708.33	(1,708.33)	-	-
Adjustment as per composite scheme of arrangement (Refer Note 25)	9(b)(i)	-	1,482.73	-	-	-	-	1,482.73
<b>Balance as at March 31, 2016</b>		<b>8,274.00</b>	<b>1,482.73</b>	<b>3,710.31</b>	<b>1,850.69</b>	<b>(12,715.73)</b>	<b>14,197.34</b>	<b>16,799.34</b>



(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Equity component of compound financial instruments	Reserves and surplus				Other Reserves	Total other equity	
			Capital reserve	Securities premium reserve	Debt redemption reserve	General reserve			Retained earnings
<b>Balance as at April 1, 2016</b>	9(b)	8,274.00	1,482.73	3,710.31	1,850.69	-	(12,715.73)	14,197.34	16,799.34
Profit for the year		-	-	-	-	-	3,665.91	-	3,665.91
Other comprehensive income		-	-	-	-	-	(111.28)	-	(111.28)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	3,554.63	-	3,554.63
Conversion of compulsorily convertible debentures to non-convertible debentures	10(a)(iv)	(8,274.00)	-	-	-	-	-	-	(8,274.00)
Transfer to debenture redemption reserve	9(b)(iii)	-	-	-	1,851.74	-	(1,851.74)	-	-
Transfer to general reserve		-	-	(1,445.49)	-	1,445.49	-	-	-
Securities premium on fresh issue of equity shares	9(b)(ii)	-	-	38,798.80	-	-	-	-	38,798.80
Transaction cost arising on share issue	9(b)(ii)	-	-	(1,773.41)	-	-	-	-	(1,773.41)
<b>Balance as at March 31, 2017</b>		-	1,482.73	40,735.70	2,256.94	1,445.49	(11,012.84)	14,197.34	49,105.36

The above statement of changes in equity should be read in conjunction with the accompanying notes

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (012754N/N500016)  
Chartered Accountants

**Anurag Khandelwal**  
Partner  
Membership Number-078571

Place : Mumbai  
Date : May 25, 2017

For and on behalf of the Board of Directors

**Vijay Tandon** Chairman  
**Apurva Purohit** Director  
**Anuj Puri** Director

**Prashant Domadia** Chief Financial Officer  
**Chirag Bagadia** Company Secretary



# NOTES TO FINANCIAL STATEMENTS

## BACKGROUND

Music Broadcast Limited (“the Company” or “MBL”) was incorporated and domiciled in India on November 4, 1999. The Company is engaged in the business of operating Private FM Radio Stations through the brand ‘Radio City’. The Company started its operations in India in July, 2001 in Bangalore and operate its radio stations in 39 cities across India out of which 11 stations are launched in the current year and 8 stations acquired (Refer note 25). During the year the Company has raised money from public by issue of equity shares which were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on March 17, 2017.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 30 for an explanation of how the transition from Indian GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities which have been measured at fair value;
- defined benefit plans — plan assets measured at fair value

### b) Business Combinations

i) The acquisition method of accounting is used to account for all business combinations, other than those described

in (ii) below, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of the transferor companies comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. There is no contingent consideration in respect of all the years presented.



## NOTES TO FINANCIAL STATEMENTS

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

(ii) Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve/capital reserve
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company, Chief Executive Officer and Chief Financial Officer, which have been identified as being the chief operating decision maker assess the financial performance and position of the

Company and make strategic decisions. The Company is engaged primarily in the business of operating Private FM Radio Stations through the brand 'Radio City. However, in the context of Indian Accounting Standard 108 – Operating Segments, these are considered to constitute single reportable segment.

### d) Foreign currency translation

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

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

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

### e) License Fees

License fees are charged to revenue at the rate of 4% of gross revenue for the year or 2.5 % of Non- Refundable One Time Entry Fee (NOTEF) for the concerned FM radio station, whichever is higher. 'Gross Revenue' is revenue on the basis of billing rates inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agencies.



## NOTES TO FINANCIAL STATEMENTS

### f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

The useful lives of property, plant and equipment are depreciated on Straight Line method over the estimated useful lives of the assets prescribed in Schedule II to the Companies Act, 2013. The same represents the consumption patterns and is based on technical evaluation done by the management. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leasehold land and leasehold improvements are amortised on a straight-line basis over the total period of lease including renewals, or useful life, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Nature of Asset	Useful life(In Years)
Towers, Antenna & Transmitters	13
Computers	3 – 6
Furniture & Fixtures	5-10
Studio Equipment's	3-15
Air Conditioners & UPS & Gen Set	3-15
Vehicle	8

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the statement of profit or loss.

### g) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment losses. Cost includes any directly attributable expenditure on making the assets ready for its intended use.

Intangible assets, other than migration fees are amortized on a straight line basis over a period of 5 years.

- i) The migration fee capitalized is being amortized, with effect from April 1, 2015, equally over a period of fifteen years, being the period of the license.
- ii) Computer Software

Computer software are stated at their cost of acquisition net of accumulated amortisation. Amortisation of computer software is carried out on straight line basis over their estimated useful life of five years.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

### h) Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly



## NOTES TO FINANCIAL STATEMENTS

liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### k) Investments and other financial assets

#### i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

For debt instruments, subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

For equity instruments, the Company measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses



## NOTES TO FINANCIAL STATEMENTS

(and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company has elected to continue with the carrying value of its investment in subsidiaries and associates recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of those investments. The same have been carried at cost in accordance with Ind AS 27: Separate financial statements and Ind AS 28: Investment in associates and joint ventures.

In case change in terms of a financial asset results in substantial modification of contractual cash flows, the same is accounted for extinguishment of the original financial asset and recognition of new asset. The difference between the fair value of the original financial asset derecognised (already at fair value through profit or loss) and the fair value of the new financial asset recognised is accounted as investment in subsidiary considering the economic substance and the parent-subsidiary relationship.

### iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22 details how the Company determines whether there has been a significant increase in credit risk.

### iv. Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v. Income recognition

**Interest income:** Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment and extension) but does not consider the expected credit losses.

**Dividends:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of redeemable non-convertible debentures is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.





## NOTES TO FINANCIAL STATEMENTS

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### m) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by

the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### n) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service and they



## NOTES TO FINANCIAL STATEMENTS

are calculated annually by actuaries. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plan of gratuity where gratuity fund is not recognised by the income tax authorities and is administered and managed by Kotak Life insurance fund; and
- (b) Defined contribution plans such as provident fund.

#### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained

earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The Company's contribution to Employee Provident fund, Employee State Insurance Fund and Employee's Pension Scheme 1995 are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. The Company deposits these amounts with the fund administered and managed by the provident fund/ Employees State Insurance authorities. The Company has no further payment obligations once the contributions have been made.

### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits as an expense immediately.

### o) Provisions

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### p) Revenue recognition

Revenue is measured at the fair value of the consideration



## NOTES TO FINANCIAL STATEMENTS

received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, commission and amounts collected on behalf of third parties.

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. Barter advertising contracts are included in the 'Gross revenue' on the basis of relevant billing rates.

Specifically the following basis are adopted for recognising various sources of revenues of the Company:

### Advertisement Revenue

Revenues from the sale of airtime are recognised in the period when the advertisements are aired and are stated net of discounts to advertising agencies and service tax billed to customers.

### Other Income

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when the right to receive payment is established by the balance sheet date.

### q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

### r) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over

the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### s) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### u) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares, if any, issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees lakhs and two decimals thereof as per the requirement of Schedule III, unless otherwise stated.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 : CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement 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 judgements 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 judgements are:

- a) Estimation of defined benefit obligation – Note 11
- b) Loss allowance of trade receivables – Note 22

- c) Estimated useful life of tangible and intangible assets - Note 3,4
- d) Contingencies - Note 27 - 'Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- e) Estimation of current tax expense and deferred tax - Note 21

Estimates and judgements 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.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

	Freehold Land	Building	Towers, antenna & transmitter (Refer Note (a) below)	Furniture and fixtures	Studio equipment	Vehicle	Office equipment	Computer	Total
<b>NOTE 3 : PROPERTY PLANT &amp; EQUIPMENT</b>									
<b>Year ended March 31, 2016</b>									
Gross carrying amount									
Deemed cost as at April 1, 2015	-	-	260.80	85.83	116.73	25.29	70.75	149.36	708.76
Additions	1.86	5.86	-	33.75	20.80	-	18.84	8.78	89.89
Acquired under composite scheme of arrangement (Refer Note 25)	-	-	70.18	52.08	11.81	0.13	8.36	11.27	153.83
Disposals	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1.86</b>	<b>5.86</b>	<b>330.98</b>	<b>171.66</b>	<b>149.34</b>	<b>25.42</b>	<b>97.95</b>	<b>169.41</b>	<b>952.48</b>
Accumulated depreciation									
Depreciation charge during the year	-	0.08	31.99	17.11	9.31	4.55	12.68	54.09	129.81
Disposals	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>0.08</b>	<b>31.99</b>	<b>17.11</b>	<b>9.31</b>	<b>4.55</b>	<b>12.68</b>	<b>54.09</b>	<b>129.81</b>
<b>Net carrying amount</b>	<b>1.86</b>	<b>5.78</b>	<b>298.99</b>	<b>154.55</b>	<b>140.03</b>	<b>20.87</b>	<b>85.27</b>	<b>115.32</b>	<b>822.67</b>
<b>Year ended March 31, 2017</b>									
Gross carrying amount									
Opening gross carrying amount	1.86	5.86	330.98	171.66	149.34	25.42	97.95	169.41	952.48
Additions	-	-	1,049.87	596.93	681.87	-	357.02	289.87	2,975.56
Disposals	-	-	-	0.10	-	-	1.80	-	1.90
<b>Closing gross carrying amount</b>	<b>1.86</b>	<b>5.86</b>	<b>1,380.85</b>	<b>768.49</b>	<b>831.21</b>	<b>25.42</b>	<b>453.17</b>	<b>459.28</b>	<b>3,926.14</b>
Accumulated depreciation									
Opening accumulated depreciation	-	0.08	31.99	17.11	9.31	4.55	12.68	54.09	129.81
Depreciation charge during the year	-	0.10	57.36	72.01	24.45	4.51	39.92	63.76	262.11
Disposals	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>0.18</b>	<b>89.35</b>	<b>89.12</b>	<b>33.76</b>	<b>9.06</b>	<b>52.60</b>	<b>117.85</b>	<b>391.92</b>
<b>Net carrying amount</b>	<b>1.86</b>	<b>5.68</b>	<b>1,291.50</b>	<b>679.37</b>	<b>797.45</b>	<b>16.36</b>	<b>400.57</b>	<b>341.43</b>	<b>3,534.22</b>

Notes:

- (a) Contractual obligations - Refer note 28 for disclosure of contractual commitments for the acquisition of Property, plant and equipments  
 (b) Refer note 10(a) for information on property, plant and equipment pledged as security by the Company.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

	One Time Entry / Migration Fees	Software	Total	Intangible assets under development (refer note 3)
<b>NOTE 4 : INTANGIBLE ASSETS</b>				
<b>Year ended March 31, 2016</b>				
Gross carrying amount				
Deemed cost as at April 1, 2015	1,067.37	95.96	1,163.33	28.94
Additions	22,101.06	57.23	22,158.29	6,566.28
Acquired on composite scheme of arrangement (Refer Note 25)	1,501.64	0.68	1,502.32	
Disposals/Transfer	1,067.37	-	1,067.37	(28.94)
<b>Closing gross carrying amount</b>	<b>23,602.70</b>	<b>153.87</b>	<b>23,756.57</b>	<b>6,566.28</b>
Accumulated amortisation				
Amortisation charge during the year	1,499.74	42.78	1,542.52	
Disposals	-	-	-	
<b>Closing accumulated amortisation</b>	<b>1,499.74</b>	<b>42.78</b>	<b>1,542.52</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>22,102.96</b>	<b>111.09</b>	<b>22,214.05</b>	<b>6,566.28</b>
<b>Year ended March 31, 2017</b>				
Gross carrying amount				
Opening gross carrying amount	23,602.70	153.87	23,756.57	6,566.28
Additions	7,066.64	49.97	7,116.61	500.36
Disposals/Transfers			-	7,066.64
<b>Closing gross carrying amount</b>	<b>30,669.34</b>	<b>203.84</b>	<b>30,873.18</b>	<b>-</b>
Accumulated amortisation				
Opening accumulated amortisation	1,499.74	42.78	1,542.52	
Amortisation charge for the year	1,661.03	44.57	1,705.60	
Disposals			-	
<b>Closing accumulated amortisation</b>	<b>3,160.77</b>	<b>87.35</b>	<b>3,248.12</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>27,508.57</b>	<b>116.49</b>	<b>27,625.06</b>	<b>-</b>

Notes :

- During the financial year ended March 31, 2016, under Phase III auction of licenses, the Company paid ₹ 22,101.06 lakhs for 20 existing FM stations and ₹ 6,257.00 lakhs for acquiring 11 new FM stations. These licenses allow the Company to operate FM radio stations for a period of 15 years commencing from April 1, 2015. Consequently, the non - refundable entry fees paid under phase II has been decapitalised. Amount paid for 11 new stations has been capitalised as and when these stations started their operations and amortised over the remaining license period.
- The interest cost of ₹ 809.36 lakhs incurred on borrowings, utilised on 11 FM stations acquired in Phase III has been capitalised along with One time entry fee for these FM stations.
- Intangible assets under development includes interest cost of Nil (March 31, 2016 : ₹ 309.30 lakhs, April 1, 2015 : Nil) incurred on borrowing utilised for acquisition of 11 FM stations in Phase III. Refer note 19
- Details of assets material to the company's financial statements

Description of assets	One time entry fees	
	Carrying amount	Average Remaining useful life (In yrs)
Stations acquired under Composite scheme of arrangement (Refer Note 25)	1,369.91	13
Stations acquired under Phase III	6,984.39	14.7
Existing stations renewed under Phase III	19,154.27	13
<b>Total</b>	<b>27,508.57</b>	

- Refer note 10(a) for information on property , plant and equipment pledged as security by the Company.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 5 : FINANCIAL ASSETS</b>			
<b>5 (a) Non-current Investments</b>			
Investment in equity instruments (fully paid up)			
Unquoted			
Nil (March 31, 2016: Nil, April 1, 2015: 9,999) Equity share of ₹ 10/- each fully paid-up in Mega Sound and Music Private Limited	-	-	1.00
<b>Total (equity instruments)</b>	-	-	<b>1.00</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	-	-	1.00
Aggregate amount of impairment in the value of investments	-	-	-
<b>5 (a) Current Investments</b>			
Investment in mutual funds			
Quoted			
Investment in mutual funds (refer note 5(a) (i))	2,674.92	1,467.15	-
<b>Total (mutual funds)</b>	<b>2,674.92</b>	<b>1,467.15</b>	-
<b>Total current investments</b>	<b>2,674.92</b>	<b>1,467.15</b>	-
Aggregate amount of quoted investments and market value thereof	2,674.92	1,467.15	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-
<b>5 (a) (i) Details of investments in mutual funds</b>			
Quoted investments			
206,302.330 (March 31, 2016:157,904.959, April 1, 2015 : Nil) units in DHFL Pramerica Insta Cash Plus Fund - Growth	434.74	310.10	-
Nil (March 31, 2016:8699.405, April 1, 2015 : Nil) units in SBI Premier Liquid Fund - Growth	-	206.70	-
9,708.239 (March 31, 2016:9,930.946, April 1, 2015 : Nil) units in Invesco India Liquid Fund - Growth Plan (LF-SG)	216.73	206.63	-
1210.969 (March 31, 2016:948.196, April 1, 2015 : Nil) units in DSP Blackrock Liquidity Fund Institutional Plan- Growth	28.07	20.50	-
110,602.039 (March 31, 2016:127,678.808, April 1, 2015 : Nil) units in Birla Sunlife Cash Plus - Growth	288.13	309.97	-
1,384,696.336 (March 31, 2016:Nil, April 1, 2015 : Nil) units in Birla Sunlife Enhanced Arbitrage Fund - Dividend Payout	150.16	-	-
2,495.706 (March 31, 2016:7407.317, April 1, 2015 : Nil) units in Tata Liquid Fund Regular Plan - Growth	74.62	206.62	-
4,089.969 (March 31, 2016:7,538.562, April 1, 2015 : Nil) units in LIC Nomura Liquid Fund - Growth	120.18	206.63	-
15,360.103 (March 31, 2016: Nil, April 1, 2015 : Nil) units in Reliance Liquid Fund- Treasury - Growth	607.33	-	-
944,786.667 (March 31, 2016: Nil, April 1, 2015 : Nil) units in Reliance Arbitrage Advantage Fund-Monthly Dividend	100.10	-	-
6,051.197 (March 31, 2016: Nil, April 1, 2015 : Nil) units in HDFC Cash Management Fund-Savings - Growth	204.48	-	-
1,378,549.766 (March 31, 2016: Nil, April 1, 2015 : Nil) units in HDFC Arbitrage Fund-Wholesale Plan-Monthly Dividend	150.12	-	-
931,627.833 (March 31, 2016: Nil, April 1, 2015 : Nil) units in Kotak Equity Arbitrage Fund-Monthly Dividend	100.12	-	-
7,513.163 (March 31, 2016: Nil, April 1, 2015 : Nil) units in Kotak Floater Short Term - Growth	200.14	-	-
	<b>2,674.92</b>	<b>1,467.15</b>	-



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>5 (b) Trade receivables</b>			
Trade receivables	9,543.60	8,980.17	5,752.15
Receivables from related parties (Refer note 26)	52.71	7.56	1,136.30
Less: Allowance for doubtful debts	1,430.61	1,359.92	803.39
<b>Total trade receivables</b>	<b>8,165.70</b>	<b>7,627.81</b>	<b>6,085.06</b>
Current portion	8,165.70	7,627.81	6,085.06
Non-current portion	-	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Break up of security details</b>			
Secured, considered good	-	-	-
Unsecured, considered good	8,165.70	7,627.81	6,085.06
Considered doubtful	1,430.61	1,359.92	803.39
<b>Total</b>	<b>9,596.31</b>	<b>8,987.73</b>	<b>6,888.45</b>
Allowance for doubtful debts	(1,430.61)	(1,359.92)	(803.39)
<b>Total trade receivables</b>	<b>8,165.70</b>	<b>7,627.81</b>	<b>6,085.06</b>

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>5 (c) Loans</b>						
Unsecured, considered good (Unless otherwise stated)						
Loans to related parties (Refer note 26)						
- Considered good	-	-	-	-	590.00	-
	-	-	-	-	<b>590.00</b>	-
Loans to other parties						
- Intercompany deposit	-	-	-	-	20,000.00	-
Interest accrued on loans given	-	-	-	-	237.60	-
[Includes ₹ Nil from related parties (March 31, 2016: ₹ Nil, April 1, 2015: 87.91 Lakhs)]						
<b>Total loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,827.60</b>	<b>-</b>

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>5(d) Cash and cash equivalents</b>			
Balances with banks			
- in current accounts	2,541.96	1,250.29	4,316.12
- in Fixed deposits (Less than three months maturity)	6,000.00	-	-
- interest accrued on fixed deposits	9.95	-	-
Cash on hand	0.38	0.35	0.15
<b>Total Cash and cash equivalents</b>	<b>8,552.29</b>	<b>1,250.64</b>	<b>4,316.27</b>





## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>5 (e) Other bank balances</b>			
- in Fixed deposits (with maturity of more than three months and remaining maturity of less than twelve months)	17,000.00	18.23	488.74
- in Fixed deposits held as margin money [Note (a) below]	1,144.88	308.95	630.00
- interest accrued on fixed deposits	92.61	9.47	32.74
<b>Total other bank balances</b>	<b>18,237.49</b>	<b>336.65</b>	<b>1,151.48</b>

(a) These deposits are subject to lien with the bankers.

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>5 (f) Other financial assets</b>						
Security deposits						
- Unsecured, considered good	363.88	1,203.86	461.80	911.93	114.47	1,109.31
- Doubtful	-	82.02	-	82.02	-	64.40
	363.88	1,285.88	461.80	993.95	114.47	1,173.71
Less : Allowance for deposits	-	82.02	-	82.02	-	64.40
	363.88	1,203.86	461.80	911.93	114.47	1,109.31
Others:						
- in Fixed deposits held as margin money	-	13.62	-	406.14	-	882.51
- Interest accrued on fixed deposits	-	0.49	-	17.67	-	88.64
<b>Total other financial assets</b>	<b>363.88</b>	<b>1,217.97</b>	<b>461.80</b>	<b>1,335.74</b>	<b>114.47</b>	<b>2,080.46</b>

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 6: OTHER NON - CURRENT ASSETS</b>			
Capital advances	633.33	910.00	17.38
Prepayments	479.20	550.48	102.73
<b>Total other non - current assets</b>	<b>1,112.53</b>	<b>1,460.48</b>	<b>120.11</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NOTE 7: NON CURRENT TAX ASSETS (NET)</b>		
Opening Balance	657.80	899.74
Less: Current tax payable for the year	-	1,235.42
Less: Provision for earlier years	-	99.64
Add: Taxes paid (net of refund received)	-	850.80
Less: Others	-	-
Add: Current tax asset acquired on composite scheme of arrangement (Refer Note 25)	-	-
<b>Total Current tax assets</b>	<b>173.54</b>	<b>657.80</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 8: OTHER CURRENT ASSETS</b>			
Prepayments	612.88	684.23	245.37
Balances with statutory/government authorities	402.01	138.02	69.39
Facility charges receivable	-	-	73.85
Advances to related parties	41.30	67.94	-
Advances to others			
- Considered good	213.36	252.12	256.99
- Considered doubtful	26.67	26.67	26.67
Less: Allowance for doubtful advances	26.67	26.67	26.67
Advance paid under dispute	290.70	290.70	244.98
Less : Provision for advance paid under dispute	290.70	290.70	244.98
Other receivables	659.99	463.38	421.12
<b>Total other current assets</b>	<b>1,929.54</b>	<b>1,605.69</b>	<b>1,066.72</b>

Particulars	Number of shares	Amount
<b>NOTE 9: EQUITY SHARE CAPITAL AND OTHER EQUITY</b>		
<b>9 (a) Equity share capital</b>		
Authorised equity share capital		
<b>As at April 1, 2015</b>	42,000,000	4,200.00
Increase during the year	4,000,000	400.00
<b>As at March 31, 2016</b>	<b>46,000,000</b>	<b>4,600.00</b>
Increase during the year	21,000,000	2,100.00
<b>As at March 31, 2017</b>	<b>67,000,000</b>	<b>6,700.00</b>

Particulars	Number of shares	Amount
Authorised preference share capital		
<b>As at April 1, 2015</b>	50,000	5.00
Increase during the year	-	-
<b>As at March 31, 2016</b>	<b>50,000</b>	<b>5.00</b>
Increase during the year	-	-
<b>As at March 31, 2017</b>	<b>50,000</b>	<b>5.00</b>

(i) Issued, subscribed and paid up equity share capital

Particulars	Number of shares	Equity share capital (par value)
Shares outstanding at the beginning of the year	41,917,767	4,191.78
Less : Amount recoverable from Music Broadcast Employees Welfare Trust (Refer note (a) below)	(3,008,066)	(300.81)
<b>As at April 1, 2015</b>	<b>38,909,701</b>	<b>3,890.97</b>
Increase during the year	-	-
3,125,000 Equity Shares of ₹ 10 issued as fully paid-up to the shareholders of Shri Puran Multimedia Limited as per composite scheme of arrangement (Refer note 25)	3,125,000	312.50
<b>As at March 31, 2016</b>	<b>42,034,701</b>	<b>4,203.47</b>
Advance settled with Music Broadcast Employees Welfare Trust (Refer note (a) below)	3,008,066	300.81
During the year due to fresh issue of equity shares	12,012,012	1,201.20
<b>As at March 31, 2017</b>	<b>57,054,779</b>	<b>5,705.48</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### TERMS AND RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 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.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Notes :

(a) The Company had given loan to the Music Broadcast Employees Welfare Trust for subscribing shares in the Company. The said loan has been received back during the year ended March 31, 2017.

#### (ii) Shares held by holding/intermediary holding company

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Jagran Prakashan Limited, the holding company (March 2016: Intermediary holding company)	40,268,517	38,909,701	-
Erstwhile Spectrum Broadcast Holding Private Limited (Formerly IVF Holdings Private Limited)	-	-	29,906,520

#### (iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Jagran Prakashan Limited, the holding company (Refer Note (i) below)	40,268,517	70.58%	38,909,701	92.83%	-	-
Erstwhile Spectrum Broadcast Holding Private Limited (Formerly IVF Holdings Private Limited), the holding company	-	-	-	-	29,906,520	71.35%
Erstwhile Crystal Sound and Music Private Limited, Subsidiary of holding company	-	-	-	-	9,003,181	21.48%
Mr. George Thomas Jointly with Mr. Sunil Theckath as Trustees of Music Broadcast Employees Welfare Trust	-	-	-	-	3,008,066	7.17%
Mr. Rahul Gupta Jointly with Mr. Shailesh Gupta as Trustees of Music Broadcast Employees Welfare Trust	-	-	3,008,066	7.17%	-	-

#### Notes :

(i) Out of the 40,268,517 shares, 38,909,701 shares are acquired by Jagran Prakashan Limited on account of composite scheme of arrangements wherein Spectrum Broadcast Holdings Private Limited and Crystal Sound and Music Private Limited, have been amalgamated with Jagran Prakashan Limited. The remaining number of shares 1,358,816 are purchased by Jagran Prakashan Limited from Music Broadcast Employee Welfare Trust.

#### (iv) Aggregate number of shares issued for consideration other than cash

3,125,000 equity shares of ₹ 10/- each fully paid were allotted as consideration on November 24, 2016 pursuant to the scheme of arrangement with Shri Puran Multimedia Limited (Refer note 25)



# NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 9 (b) Reserves &amp; Surplus</b>		
Capital reserve	1,482.73	1,482.73
Securities premium reserve	40,735.70	3,710.31
Debenture redemption reserve	2,256.94	1,850.69
General reserve	1,445.49	-
Retained earnings	(11,012.84)	(12,715.73)
<b>Total reserves and surplus</b>	<b>34,908.02</b>	<b>(5,671.99)</b>
<b>(i) Capital reserve</b>		
Opening balance	1,482.73	-
Adjustment as per composite scheme of arrangement (Refer note 25)	-	1,482.73
Closing balance	<b>1,482.73</b>	<b>1,482.73</b>
<b>(ii) Securities premium reserve</b>		
Opening balance	3,710.31	3,710.31
Add: Shares issued pursuant to public issue offering	38,798.80	-
Less: Transaction cost arising on share issue	(1,773.41)	-
Closing Balance	<b>40,735.70</b>	<b>3,710.31</b>
<b>(iii) Debenture redemption reserve</b>		
Opening Balance	1,850.69	142.36
Addition during the year	1,851.74	1,708.33
Less : Transferred to general reserve	1,445.49	-
Closing Balance	<b>2,256.94</b>	<b>1,850.69</b>
<b>(iv) General Reserve</b>		
Opening balance	-	-
Add : Transfer from debenture redemption reserve	1,445.49	-
Closing Balance	<b>1,445.49</b>	-
<b>(v) Retained earnings</b>		
Opening balance	(12,715.73)	(13,735.66)
Net profit for the period	3,665.91	2,762.25
Items of other comprehensive income recognised directly in retained earnings		-
- Remeasurements of post employment benefit obligation, net of tax	(111.28)	(33.99)
Transfer to Debenture Redemption Reserve	1,851.74	1,708.33
Closing balance	<b>(11,012.84)</b>	<b>(12,715.73)</b>

## NATURE AND PURPOSE OF OTHER RESERVES

### Capital Reserve

Difference between book values transferred to the Company and consideration agreed pursuant to Scheme of arrangement is adjusted by creating Capital reserve on the effective date. The reserve is utilised in accordance with the provisions of the Act.

### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

### Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend for the purpose of redemption of debentures.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 9 (c) Other reserves</b>		
Other Reserves	14,197.34	14,197.34
<b>Total Other Reserves</b>	<b>14,197.34</b>	<b>14,197.34</b>

### Other Reserve

The profits earned by the Company through special transaction.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 10: FINANCIAL LIABILITIES</b>			
<b>Note 10 (a) : Non - current borrowings</b>			
<b>Secured</b>			
1,500 (March 31, 2016: 2,000, April 1, 2015: 2,000)			
Listed redeemable non-convertible debentures of ₹ 10,00,000/- each [Refer note (i) below]	15,089.59	20,108.30	19,938.23
<b>Unsecured</b>			
<b>Term Loan</b>			
- Indian rupee loan from a bank [Refer note (ii) below]	-	-	1,053.16
<b>Others</b>			
- Inter-organizational deposits [Refer note (iii) below]	-	-	8,274.00
<b>Total non-current borrowings</b>	<b>15,089.59</b>	<b>20,108.30</b>	<b>29,265.39</b>
Less: Current maturities of long term debt (included in note 10(c))	9,986.87	4,981.52	833.33
Less: Interest accrued (included in note 10(c))	111.62	148.42	160.32
<b>Non-current borrowings (as per balance sheet)</b>	<b>4,991.10</b>	<b>14,978.36</b>	<b>28,271.74</b>

#### (i) Nature of Security: Secured by:

As at April 1, 2015, first pari passu charge on the entire book assets, including fixed assets, current assets and investments of the Company with Aggregate Market value of above ₹ 20,000 and also by unconditional and irrevocable guarantee by Jagran Prakashan Limited, in favour of MBL and the Debenture Trustee. These debentures are listed on BSE Limited. Interest @ 9.7% per annum is payable on semi-annual basis. Terms of redemption are as follows:

Nature of debentures	Date of allotment	Date of redemption	Amount (₹ in Lakhs)
9.7% Non-convertible debenture Series A	March 4, 2015	March 4, 2017	5,000
9.7% Non-convertible debenture Series B	March 4, 2015	March 4, 2018	10,000
9.7% Non-convertible debenture Series C	March 4, 2015	March 4, 2020	5,000
<b>Total</b>			<b>20,000</b>

The proceeds from the NCDs were to be utilised for acquiring new radio licenses in proposed Phase III auction including capital expenditure and payment of fees for migration of licenses from Phase II to Phase III.

Until utilisation of funds as aforesaid, the Company placed inter-organizational deposits with Jagran Prakashan Limited, carrying 9.75% p.a. interest rate, payable on the due date.

During the financial year ended March 31, 2016, these NCDs were secured by first pari passu charge on the entire book assets, including fixed assets, current assets and investments of the Company with Aggregate Market value of above ₹ 20,000 and also by letter of comfort provided by Jagran Prakashan Limited, the holding company in favour of the Company and the Debenture Trustee.

The inter-organizational deposits given to Jagran Prakashan Limited were repaid during the year ended March 31, 2016.

During the financial year ended March 31, 2017, Series A of NCDs issued amounting to ₹ 5,000 were redeemed on due date i.e. March 4, 2017.

#### (ii) The unsecured loan from HDFC Bank was taken during the financial year 2013-14 and carried interest @ 13% p.a. The loan



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

was repayable in 12 quarterly instalments of ₹ 208.33 each along with monthly interest from the date of loan. The loan was secured by way of comfort letter of India Value Fund Advisors Private Limited. The said loan has been repaid during the financial year ended March 31, 2016.

- (iii) Interest free loan from India Value Fund Trustee Company Private Limited- India Value Fund Scheme B was taken during the financial year 2007-08. Subsequently, the Company renegotiated the repayment terms various times. The loan was fully repaid during the financial year ended March 31, 2016.
- (iv) During the financial year ended March 31, 2016, the Company issued 8,274 compulsorily convertible debentures (CCD's) of ₹ 100,000/- (Rupees One Lakh only) each for cash, carrying 0% interest rate. The CCD holder had an option to convert the CCD's into the equity shares of the Company at any time after 3 (three) years but within 5 (five) years from the date of allotment of CCD's. If CCD holder does not exercise the option of conversion within the period of 5 years, then the CCD's shall be compulsorily converted into the equity shares of the Company on completion of 5 years from the date of allotment of CCD's. 1 Equity share of ₹ 10 each shall be issued for every one CCD's of ₹ 100,000 each. Subsequently on November 25, 2016, the CCDs were converted into Non convertible debentures which were fully redeemed on March 17, 2017.

Particulars	As at March 31, 2017	As at March 31, 2016
Face value of compulsorily convertible debentures	-	8,274.00
Equity component of compulsorily convertible debentures	-	(8,274.00)
<b>Non current borrowings</b>	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 10(a) :CURRENT BORROWINGS</b>			
<b>Unsecured</b>			
Intercompany deposit from Jagran Prakashan Limited [refer Note (i) below]	-	1,965.15	-
Borrowings from other related parties [refer Note (ii) below]	-	350.00	-
<b>Total current borrowings</b>	-	<b>2,315.15</b>	-
Less: Interest accrued (included in note 10(c))	-	15.15	-
<b>Current borrowings (as per balance sheet)</b>	-	<b>2,300.00</b>	-

- (i) During the year ended March 31, 2016, the Company had taken an Intercompany Deposit (ICD) ₹ 400.00 from Jagran Prakashan Limited at an interest rate of 9.75%. The loan was for a period of 245 days. Further, on account of composite scheme of arrangement, the Company acquired ₹ 1,550.00 which carried interest rate of 12.5% p.a. and are repayable on demand
- (ii) On account of composite scheme of arrangement, the Company acquired loan from other related parties which carried interest rate of 12% p.a. and is repayable on demand

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 10 (b) : TRADE PAYABLES</b>			
<b>Current</b>			
Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises; and	3,096.36	2,227.72	1,813.92
Trade payables to related parties (Refer note 26)	188.66	-	-
<b>Total trade payables</b>	<b>3,285.02</b>	<b>2,227.72</b>	<b>1,813.92</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 10 (c) : OTHER FINANCIAL LIABILITIES</b>			
<b>Current</b>			
Current Maturities of Long-term debt			
- Listed redeemable Non-convertible debentures (Note 10 (a))	9,986.87	4,981.52	-
- Indian rupee loan from a bank (Note 10 (a))		-	833.33
Interest accrued	111.62	163.57	160.32
Employee benefits payable	1,218.57	781.32	528.83
<b>Total other current financial liabilities</b>	<b>11,317.06</b>	<b>5,926.41</b>	<b>1,522.48</b>

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<b>NOTE 11: EMPLOYEE BENEFIT OBLIGATIONS</b>									
Leave obligations (i)	58.70	256.57	315.27	57.96	200.35	258.31	21.20	163.54	184.74
Gratuity (ii)	87.89	283.47	371.36	57.72	211.44	269.16	49.24	128.72	177.96
<b>Total Employee benefit obligations</b>	<b>146.59</b>	<b>540.04</b>	<b>686.63</b>	<b>115.68</b>	<b>411.79</b>	<b>527.47</b>	<b>70.44</b>	<b>292.26</b>	<b>362.70</b>

### (i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of ₹ 58.70 (31 March 2016 – ₹ 57.96, 1 April 2015 – ₹ 21.20) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Leave obligations not expected to be settled within the next 12 months	256.57	200.35	163.54

### (ii) Post-employment obligations

#### Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

### (iii) Defined contribution plans

#### (a) Provident Fund

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 233.93 (31 March 2016 – ₹ 188.04).



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Employers' Contribution to Provident Fund	182.11	149.73
Labour Welfare Fund	0.15	0.43
<b>Total</b>	<b>182.26</b>	<b>150.16</b>

### (b) State Plans

During the Year, the Company has recognised the following amounts in the Statement of Profit and Loss

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Employers' Contribution to Employees' Pension Scheme, 1995 *	57.67	37.89

\* Included in Contribution to Employees Provident and other Funds above

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of obligation	Fair value of plan assets	Net Amount
<b>BALANCE SHEET AMOUNTS - GRATUITY</b>			
<b>April 1, 2015</b>	<b>273.52</b>	<b>(95.56)</b>	<b>177.96</b>
Current service cost	47.26	-	47.26
Interest expense/(income)	20.62	(10.00)	10.62
<b>Total amount recognised in profit or loss</b>	<b>67.88</b>	<b>(10.00)</b>	<b>57.88</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.71	2.71
(Gain)/loss from change in demographic assumptions	9.09	-	9.09
(Gain)/loss from change in financial assumptions	11.34	-	11.34
Experience (gains)/losses	28.84	-	28.84
<b>Total amount recognised in other comprehensive income</b>	<b>49.27</b>	<b>2.71</b>	<b>51.98</b>
Liabilities assumed pursuant to composite scheme of arrangement	39.21	-	39.21
Employer contributions	-	-	-
Prior year charge	-	-	-
Benefit payments	(57.87)	-	(57.87)
<b>March 31, 2016</b>	<b>372.01</b>	<b>(102.85)</b>	<b>269.16</b>

Particulars	Present Value of obligation	Fair value of plan assets	Net Amount
<b>April 1, 2016</b>	<b>372.01</b>	<b>(102.85)</b>	<b>269.16</b>
Current service cost	63.51	-	63.51
Past service cost and loss/(gain) on curtailments and settlement	(0.25)	-	(0.25)
Interest expense/(income)	27.55	(8.26)	19.29
<b>Total amount recognised in profit or loss</b>	<b>90.81</b>	<b>(8.26)</b>	<b>82.55</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(3.50)	(3.50)
(Gain)/loss from change in demographic assumptions	5.64	-	5.64
(Gain)/loss from change in financial assumptions	101.00	-	101.00
Experience (gains)/losses	67.04	-	67.04
<b>Total amount recognised in other comprehensive income</b>	<b>173.68</b>	<b>(3.50)</b>	<b>170.18</b>





## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present Value of obligation	Fair value of plan assets	Net Amount
Employer contributions	-	-	-
Benefit payments	(150.53)	-	(150.53)
<b>March 31, 2017</b>	<b>485.97</b>	<b>(114.61)</b>	<b>371.36</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of funded obligations	485.97	372.01	273.52
Fair value of plan assets	(114.61)	(102.85)	(95.56)
<b>Deficit of funded plan</b>	<b>371.36</b>	<b>269.16</b>	<b>177.96</b>
Unfunded plans	-	-	-
<b>Deficit of gratuity plan</b>	<b>371.36</b>	<b>269.16</b>	<b>177.96</b>

#### (iv) Significant actuarial assumptions were as follows :

Actuarial assumptions	As at March 31, 2017	As at March 31, 2016
Discount Rate	7.00%	8.00%
Salary Growth Rate	10.00%	7.50%
Average future duration	26.60 years	26.29 years
Rate of return on plan assets	7.00%	8.00%
Withdrawal Rates	25% at younger ages reducing to 2% at older ages	25% at younger ages reducing to 2% at older ages

#### (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016		
Discount rate	0.50%	0.50%	decrease by	3.40%	3.07%	increase by	3.60%	3.26%
Salary growth	0.50%	0.50%	increase by	3.50%	3.26%	decrease by	3.30%	3.10%
Withdrawal rate (W.R)	20%	20%	decrease by	3.93%	3.98%	increase by	5.10%	4.90%

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 analysis did not change compared to the prior period.

#### (vi) The major categories of plan assets are as follows

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Composition of the plan assets</b>			
Policy of insurance	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

## (vii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:  
Asset volatility - The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. These are subject to interest rate risk.

## (viii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are ₹ Nil.

The expected maturity analysis of undiscounted gratuity is as follows:

Defined benefit obligation - Gratuity	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
March 31, 2017	57.45	53.51	147.50	210.28
March 31, 2016	61.93	42.01	91.74	127.90
April 1, 2015	21.20	13.22	39.08	73.52

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 12: DEFERRED TAX ASSETS/(LIABILITIES)</b>			
The balance comprises temporary differences attributable to:			
<b>Deferred Tax Liabilities (DTL)</b>			
Property, plant and equipment and Intangible Assets	2,220.86	806.96	-
Financial assets at fair value through profit or loss	17.02	28.07	72.88
<b>Total</b>	<b>2,237.88</b>	<b>835.04</b>	<b>72.88</b>
<b>Deferred Tax Assets (DTA)</b>			
Property, plant and equipment and Intangible Assets	-	-	679.14
Unused tax credits	2,693.51	1,358.46	-
Allowance for doubtful debts and advances	600.76	574.44	394.34
Employee benefits obligations	237.63	182.55	125.52
Unabsorbed Losses	987.94	1,648.86	1,034.44
Others	242.15	234.82	-
<b>Total</b>	<b>4,761.99</b>	<b>3,999.13</b>	<b>2,233.44</b>
<b>Net deferred tax assets/ (liabilities)</b>	<b>2,524.10</b>	<b>3,164.09</b>	<b>2,160.56</b>

## Movements in deferred tax assets

	Property, plant and equipment and Intangible assets	Financial assets at fair value through profit or loss	Unused tax credits	Other Items	Total
At April 1, 2015 [DTA/(DTL)]	679.14	(72.88)	-	1,554.30	2,160.56
Deferred tax asset on unabsorbed losses acquired under Composite Scheme of Arrangement	-	-	-	1,057.55	1,057.55
Charged/(credited)					
- to profit or loss	(1,486.10)	44.81	1,358.46	10.82	(72.01)
- to other comprehensive income	-	-	-	17.99	17.99
At March 31, 2016	<b>(806.96)</b>	<b>(28.07)</b>	<b>1,358.46</b>	<b>2,640.67</b>	<b>3,164.09</b>
Charged/(credited)					
- to profit or loss	(1,413.90)	11.05	1,335.05	(631.08)	(698.88)
- to other comprehensive income	-	-	-	58.89	58.89
At March 31, 2017	<b>(2,220.86)</b>	<b>(17.02)</b>	<b>2,693.51</b>	<b>2,068.48</b>	<b>2,524.10</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 13: OTHER CURRENT LIABILITIES</b>			
Advance from customers	196.64	214.13	90.67
Statutory tax payable	401.55	211.49	164.86
Other Liabilities	422.40	1,582.45	292.80
<b>Total other current liabilities</b>	<b>1,020.59</b>	<b>2,008.07</b>	<b>548.33</b>

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 14: REVENUE FROM OPERATIONS</b>			
Revenue from Radio Airtime		27,141.61	22,547.66
<b>Total revenue from operations</b>		<b>27,141.61</b>	<b>22,547.66</b>

\*Including revenue from exchange of services of ₹ 1,497.73 (March 2016 : ₹ 995.41)

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 15 (a): OTHER INCOME</b>			
Interest Income			
- On Fixed deposits	5 (d)	161.65	156.09
- From financial assets at amortised cost	5 (c)	-	1,016.86
- On Income tax refund		71.81	19.19
Unwinding of discount on security deposits	5 (e)	54.55	94.73
<b>Total other income</b>		<b>288.01</b>	<b>1,286.87</b>

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 15 (b): OTHER GAINS/(LOSSES)</b>			
Net gain on financial assets mandatorily measured at fair value through profit or loss	5 (a)	54.06	47.16
Net gain on sale of investments		71.81	82.64
Net gain on disposal of property, plant and equipment	3	2.87	1.02
Liabilities no longer required written-back		3.23	15.40
Miscellaneous Income		23.67	41.73
<b>Total other income</b>		<b>155.64</b>	<b>187.95</b>

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 16: EMPLOYEE BENEFIT EXPENSE</b>			
Salary, wages and bonus		5,944.71	4,711.71
Contribution to employees provident and other funds		239.93	188.04
Gratuity	11	82.56	57.88
Leave compensation	11	156.66	90.38
Staff welfare expenses		83.28	64.33
<b>Total employee benefit expense</b>		<b>6,507.14</b>	<b>5,112.34</b>



# NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 17: DEPRECIATION AND AMORTISATION EXPENSE</b>			
Depreciation of property, plant and equipment	3	262.09	129.81
Amortisation of intangible assets	4	1,705.60	1,542.52
<b>Total depreciation and amortisation expense</b>		<b>1,967.69</b>	<b>1,672.33</b>

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 18: OTHER EXPENSE</b>			
Repairs and maintenance:			
Building		40.95	57.12
Plant and machinery		150.28	121.76
Office maintenance charges		404.76	335.58
Power and fuel expenses		906.88	756.28
Rates and taxes		41.11	37.39
Travelling and conveyance		337.12	237.34
Communication cost		109.37	103.99
Marketing and advertisement expenses		2,397.74	2,060.43
Insurance		28.28	24.83
Corporate social responsibility expenditure [Refer note (b) below]		79.52	56.00
Allowances for doubtful debts and advances		76.05	412.69
Payment to auditors (Refer Note (a) below)		44.08	42.39
Royalty		1,176.98	584.45
Programming cost		1,103.85	889.26
Rent (Refer Note 28(b) )		1,697.09	1,432.23
Annual software license maintenance fee		373.90	226.94
Legal and professional charges		292.56	315.19
Professional fees to Director		57.57	-
Advances written off		25.00	-
Miscellaneous expenses		244.23	211.16
<b>Total other expenses</b>		<b>9,587.32</b>	<b>7,905.03</b>

## (a) Details of payments to auditors (including service tax)

As auditor:			
Audit Fees		33.93	33.78
Limited review fees		5.75	5.73
In other capacities			
Certification fees		8.63	6.30
Reimbursement of expenses		2.39	2.39
<b>Total payments to auditors</b>		<b>50.70</b>	<b>48.20</b>

In addition to above, the Company had paid an amount of ₹ 148.40 lakhs to auditors for Initial Public Offering (IPO) matters which are reduced from securities premium account as transaction cost arising on share issue.

## (b) Corporate social responsibility expenditure

Contribution in various societies for creating free support, awareness and education for children and their families		79.52	56.00
<b>Total</b>		<b>79.52</b>	<b>56.00</b>
Amount required to be spent as per Section 135 of the Act		78.62	56.00
Amount spent during the year on			
(i) Construction/acquisition of an asset		-	-
(ii) On purposes other than (i) above		79.52	56.00



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 19: FINANCE COST</b>		
Interest and finance charges on financial liabilities not at fair value through profit or loss	2,360.96	2,332.17
Other borrowing costs	40.72	43.21
Less: Amount transferred to Intangible asset under development (Refer note (a) below)	500.36	309.30
<b>Finance costs expensed in profit or loss</b>	<b>1,901.32</b>	<b>2,066.08</b>

Note : (a) Interest expense incurred on borrowing utilised for acquisition of 11 FM stations in Phase III.

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 20: EXCEPTIONAL ITEMS</b>		
Special incentive given to certain employees (Refer note below)	-	1,357.50
	-	<b>1,357.50</b>

Note : During the financial year ended March 31, 2016, the Company declared one time incentive to certain employees.

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>NOTE 21: INCOME TAX EXPENSE</b>		
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits	1,235.42	988.78
Adjustments for current tax of prior periods	99.64	369.68
<b>Total current tax expense</b>	<b>1,335.06</b>	<b>1,358.46</b>
Deferred tax		
Decrease (increase) in deferred tax assets	(703.97)	116.82
(Decrease) increase in deferred tax liabilities	1,402.84	(44.81)
<b>Total deferred tax expense/(benefit)</b>	<b>698.87</b>	<b>72.01</b>
<b>Income tax expense</b>	<b>2,033.93</b>	<b>1,430.47</b>

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before income tax expense	5,699.84	4,192.72
Tax rate	34.61%	34.61%
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	1,972.60	1,451.02
Amount inadmissible u/s 36(1)(va)- Corporate Social responsibility expense	27.52	19.38
Other items	33.81	(39.92)
<b>Income tax expense</b>	<b>2,033.93</b>	<b>1,430.48</b>



# NOTES TO FINANCIAL STATEMENTS

## NOTE 22: FAIR VALUE MEASUREMENTS

The financial instruments are classified in the following categories and are summarised in the table below:

- Fair Value through Profit and Loss (FVTPL)
- Fair value through Other Comprehensive income (FVOCI)
- Amortised cost

## FINANCIAL INSTRUMENTS BY CATEGORY

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments									
- Equity instruments	-	-	-	-	-	-	-	-	1.00
- Mutual funds	2,674.92	-	-	1,467.15	-	-	-	-	-
Trade receivables	-	-	8,165.70	-	-	7,627.81	-	-	6,085.06
Loans	-	-	-	-	-	-	-	-	20,827.60
Cash and cash equivalents	-	-	8,552.29	-	-	1,250.64	-	-	4,316.27
Security deposits	-	-	1,567.74	-	-	1,373.73	-	-	1,223.78
Other bank balances	-	-	18,251.60	-	-	760.46	-	-	2,122.63
<b>Total financial assets</b>	<b>2,674.92</b>	<b>-</b>	<b>36,537.33</b>	<b>1,467.15</b>	<b>-</b>	<b>11,012.64</b>	<b>-</b>	<b>-</b>	<b>34,576.34</b>
<b>Financial liabilities</b>									
Borrowings	-	-	15,089.59	-	-	22,423.45	-	-	29,265.39
Trade payables	-	-	3,285.02	-	-	2,227.72	-	-	1,813.92
Employee Benefits payable	-	-	1,218.57	-	-	781.32	-	-	528.83
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>19,593.18</b>	<b>-</b>	<b>-</b>	<b>25,432.49</b>	<b>-</b>	<b>-</b>	<b>31,608.14</b>

### (i) Fair value hierarchy

The following table summarises the financial instruments at fair value by valuation methods. The different levels have been defined as follows:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. There are no financial instruments measured using level 2 valuation techniques.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in certain debentures, preference shares and unlisted equity instruments.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE - RECURRING FAIR VALUE MEASUREMENTS

Particulars	Notes	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015						
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial assets														
Financial Investments at FVPL:														
Unlisted equity investments														
Mutual funds	5 (a)	2,674.92	-	-	-	1,467.15	-	-	-	-	-	-	1.00	1.00
<b>Total financial assets</b>		<b>2,674.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,467.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>1.00</b>

**Note:** There are no financial liabilities in a category: measured at fair value - recurring fair value measurements. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between levels 1, 2 and 3 during the year.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices.

Financial assets in level 3 category includes investment in unlisted equity instruments where the fair values have been determined based on net asset values.

#### (iii) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 23: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out under policies approved by the board of directors which provides principles for overall risk management.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and periodic monitoring of realizable value
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	By minimising the exposure in foreign currency
Market risk – interest rate	Borrowings at variable rates	Periodical monitoring with respect to market conditions	Replacing the high cost borrowings with low cost borrowings from time to time

#### Competition Risk

The Company faces competition from peers which challenges the profit earning capacity of the Company. The Company manages the risk from competition on the basis of strength of its content and brand.

#### Demand Risk

The Company derives majority of its revenue from sale of radio airtime and any shortfall in sale of airtime impacts the profits disproportionately. The Company manages the risk by taking increase in prices.

### (A) CREDIT RISK

The credit risk arises from cash and cash equivalents, investments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks/ institutions with which balances are maintained. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. The Company has also accepted security deposits from its agencies, which mitigate the credit risk to an extent. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due or when the extended credit period expires. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company provides for expected credit loss when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a provision when a customer fails to make contractual payments as per agreed terms. Where loans or receivables have been impaired, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.





## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### (i) Reconciliation of loss allowance - Advances and deposits

Loss allowance on April 1, 2015	336.05
Add (Less):	
Changes in loss allowances	15.67
Composite Scheme of Arrangement (Refer Note 25)	47.67
Loss allowance on March 31, 2016	<b>399.39</b>
Add (Less):	
Changes in loss allowances	-
Loss allowance on March 31, 2017	<b>399.39</b>

### (iv) Reconciliation of loss allowance – Trade receivables

Loss allowance on April 1, 2015	803.39
Changes in loss allowance	397.02
Composite Scheme of Arrangement (Refer Note 25)	159.51
Loss allowance on March 31, 2016	<b>1,359.92</b>
Changes in loss allowance	70.69
Loss allowance on March 31, 2017	<b>1,430.61</b>

Note:- significant estimates and judgements

#### Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### (B) LIQUIDITY RISK

The Company relies on a mix of excess operating cash flows, investments in marketable securities, borrowings and capital infusion to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of the liquidity position (comprising the undrawn borrowing facilities), cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

#### (i) Maturities of financial liabilities

The tables below analyse, the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. There are no derivative financial instruments in respect of reporting periods disclosed under these financial statements.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2017				
Non-derivatives				
Borrowings	10,111.62	-	5,000.00	15,111.62
Trade payables	3,285.02	-	-	3,285.02
Other financial liabilities	1,218.57	-	-	1,218.57
<b>Total non-derivative liabilities</b>	<b>14,615.21</b>	<b>-</b>	<b>5,000.00</b>	<b>19,615.21</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2016				
Non-derivatives				
Borrowings	7,463.57	10,000.00	5,000.00	22,463.57
Trade payables	2,227.72	-	-	2,227.72
Other financial liabilities	781.32	-	-	781.32
<b>Total non-derivative liabilities</b>	<b>10,472.61</b>	<b>10,000.00</b>	<b>5,000.00</b>	<b>25,472.61</b>

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
April 1, 2015				
Non-derivatives				
Borrowings	991.39	13,274.00	15,000.00	29,265.39
Trade payables	1,813.92	-	-	1,813.92
Other financial liabilities	1,218.57	-	-	1,218.57
<b>Total non-derivative liabilities</b>	<b>4,023.88</b>	<b>13,274.00</b>	<b>15,000.00</b>	<b>32,297.88</b>

### (C) MARKET RISK

#### (i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

#### (a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	USD	USD	USD
<b>Financial Assets</b>			
Trade receivable	1.17	0.68	10.13
<b>Net exposure to foreign currency risk</b>	<b>1.17</b>	<b>0.68</b>	<b>10.13</b>

#### (b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

Particulars	Impact on profit after tax	
	March 31, 2017	March 31, 2016
USD sensitivity		
INR/USD Increase by 2% (March 31, 2016 - 2%)*	0.02	0.01
INR/USD Decrease by 2% (31 March 2016 - 2%)*	(0.02)	(0.01)

\*holding off other variables constant

#### (ii) Cash flow and fair value interest rate risk

The Company's borrowings are fixed rate borrowings and are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Variable rate borrowings	-	-	-
Fixed rate borrowings	4,991.10	17,278.36	28,271.74
<b>Total borrowings</b>	<b>4,991.10</b>	<b>17,278.36</b>	<b>28,271.74</b>
Variable rate borrowings as % of total loans	-	-	-

### NOTE 24: CAPITAL MANAGEMENT

#### (a) Risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust any dividend payments, return capital to shareholders or issue new shares.

Consistent with the industry standards the Company monitors capital on the basis of debt to equity ratio where debt (comprise of total borrowings) and Equity comprise the equity shares outstanding at each reporting date.

The Debt to Equity position at each reporting date is summarised below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total debt	6,425.68	21,009.24	24,788.80
Total equity	40,613.50	7,106.28	(5,691.21)
Net debt to equity ratio	<b>0.16</b>	<b>2.96</b>	<b>(4.36)</b>

### NOTE 25

The Composite Scheme of Arrangement ("the Scheme") involving amalgamation of Spectrum Broadcast Holdings Private Limited ("SBHPL") and Crystal Sound & Music Private Limited ("CSMPL") into Jagran Prakashan Limited (JPL), and demerger of FM radio business ("Radio Mantra") of Shri Puran Multimedia Limited ("SPML") into the Company, was approved by the Hon'ble High Court of Allahabad on September 22, 2016 and the Hon'ble High Court of Mumbai on October 27, 2016. The Scheme became effective upon filing of the aforesaid orders with the respective Registrars of Companies (RoCs) of Uttar Pradesh on November 18, 2016 and Mumbai on November 17, 2016 w.e.f. January 1, 2016 being the appointed date.

#### Pursuant to the Scheme :

- All assets and liabilities relating to the FM radio business (Radio Mantra) were transferred to Company at their respective book values as appearing in the books of SPML on the appointed date i.e. January 1, 2016.
- The acquisition of radio mantra was settled by issue of 3,125,000 equity shares of ₹ 10 each fully paid up to the shareholders of SPML with consequential adjustment to the Capital Reserve.

The details of assets and liabilities so transferred and the consideration are as follows:

Particulars	As at January 1, 2016
Property, plant and equipment	154.55
Intangible assets	1,501.63
Other financial assets	98.71
Other Non current assets	134.92
Deferred Tax Assets	1,057.55
Trade receivables	971.20
Cash and cash equivalents	8.46



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at January 1, 2016
Other Bank balances	145.95
Other Current assets	143.59
Non current tax assets	80.27
<b>Total Assets</b>	<b>4,296.83</b>
Non current Employee benefit obligations	53.93
Current financial liabilities- Borrowings	2,212.61
Trade payable	146.30
Other financial liabilities	24.77
Other current liabilities	61.62
Current Employee benefit obligations	2.37
<b>Total Liabilities</b>	<b>2,501.60</b>
<b>Net Assets</b>	<b>1,795.23</b>
Equity shares allotted to shareholders of Transferor Company	312.50
Adjustment to Capital Reserve Account	1,482.73

Pursuant to Composite Scheme of Arrangement, following assets and liabilities of the CSMPL, have been taken over by the Company as at January 1, 2016

Particulars	Amount
<b>Liabilities</b>	
Trade payables	80.86
Other current liabilities	8.45
<b>Total Liabilities (A)</b>	<b>89.31</b>
<b>Assets</b>	
Trade Receivable	13.79
Other Current assets	34.92
<b>Total Assets (B)</b>	<b>48.71</b>
<b>Amount payable by JPL to the Company</b>	<b>40.60</b>

### NOTE 26: RELATED PARTY TRANSACTIONS

#### (a) Parent entities

The Company is controlled by the following Company:

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2017	March 31, 2016	April 1, 2015
Jagran Media Network Investment Private Limited	Ultimate Parent Company	India	0.00%	0.00%	0.00%
Jagran Prakashan Limited (w.e.f June 10, 2015 and upto December 31, 2015)	Intermediary Holding Company	India	70.58%	100.00%	0.00%
Jagran Prakashan Limited (w.e.f January 1, 2016)	Immediate Parent Company	India			
Erstwhile Spectrum Broadcast Holdings Private Limited (Formerly known as IVF Holdings Private Limited)	Immediate Parent Company upto Jan 1, 2016	India	-	-	71.35%

\* Pursuant to composite scheme of arrangement, Company issued 3,125,000 shares to the shareholders of Jagran Prakashan Limited w.e.f. January 1, 2016

#### (b) Fellow Subsidiaries

Name	Type	Place of incorporation
Midday Infomedia Limited	Fellow Subsidiary	India
Erstwhile Crystal Sound and Music Private Limited	Fellow Subsidiary upto Jan 1, 2016	India



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### (c) Entities in which KMP/relatives of KMP can exercise significant influence

Name	Type	Place of incorporation
India Value Fund Trustee Company Pvt Ltd	Other related party	India
Shri Puran Multimedia Limited	Other related party	India
Music Broadcast Employee Welfare Trust	Other related party	India

### (d) Other related parties

Type	Name	
Key Management Personnel	Rahul Gupta	Non Executive Director (w.e.f June 10, 2015)
	Sameer Gupta	"Non Executive Director (w.e.f June 10, 2015)"
	Bharat Gupta	Relative of Director
	Apurva Purohit	"Whole time Director (upto June 30, 2016)"
		Non Executive Director (w.e.f July 1, 2016)
	Vijay Tandon	Chairman, Non-Executive Director (w.e.f. November 24, 2016)
	Anuj Puri	Non-Executive Director (w.e.f May 30, 2016)
	Abraham Thomas	Chief Executive Officer

### (e) Key management personnel compensation

#### (i) Remuneration paid to Key Managerial personnel

Particulars	March 31, 2017	March 31, 2016
Short term employee benefits	288.19	1,555.02
Post employment benefits	4.19	1.10
Long term employee benefits	11.65	4.50
<b>Total compensation</b>	<b>304.03</b>	<b>1,560.62</b>

#### (ii) Transaction with non executive directors

Particulars	March 31, 2017	March 31, 2016
Sitting fees	4.90	-
Professional fees to Director	57.57	-
Sale of investment in equity shares	-	0.05
<b>Total</b>	<b>62.47</b>	<b>0.05</b>

The remuneration of directors and key management personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individual and market trends.

### (f) Transactions with related parties

The following transaction incurred with related parties

Particulars	March 31, 2017	March 31, 2016
<b>Sale and purchase of services</b>		
Purchase of advertisement space / material:		
- From Holding Company	384.32	32.29
- From Fellow subsidiaries	42.80	2.08
Advertisement income		
- From Holding Company	98.95	40.99
- From Fellow subsidiaries	35.97	68.83
<b>Other transaction</b>		
Rent charged by related parties for use of common facilities / utilities:		
- From Holding Company	10.76	-
Rent charged to related parties for use of common facilities / utilities		
- From Holding Company	63.19	-
Expenses written off		



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
- From Entities in which KMP/relatives of KMP can exercise significant influence	25.00	
<b>Loans repayment received</b>		
- From Holding Company	20,590.00	-
- From Entities in which KMP/relatives of KMP can exercise significant influence	285.00	
<b>Loans/borrowings taken</b>		
- From Holding Company **	2,750.00	5,150.00
- From Fellow subsidiaries	1,500.00	-
- From managerial personnel and relatives **	-	550.00
<b>Repayment of Loans/borrowings taken</b>		
- To Holding Company	12,974.00	11,474.00
- To Fellow subsidiaries	1,500.00	-
- To Key managerial personnel and relatives	350.00	200.00
<b>Interest Income</b>		
- From Holding Company	-	636.14
<b>Interest Expenses</b>		
- To Holding Company **	402.82	140.88
- To Fellow subsidiaries	7.10	-
- To Key managerial personnel and relatives **	16.42	16.47
<b>Expenses reimbursement paid</b>		
- From Holding Company	10.40	2.97
- From Fellow subsidiaries	0.06	-
<b>Expenses reimbursement received</b>		
- From Holding Company	6.84	
- From Fellow subsidiaries	2.14	2.00
- From entity over which KMP exercises significant influence	4.49	36.81

\* includes Loan ₹ 20,000 given prior to acquisition of Spectrum Broadcast Holding Private Limited by Jagran Prakashan Limited

\*\* includes acquired pursuant to composite scheme of arrangement (refer note no. 25)

### (g) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Trade payables:</b>			
- From Holding Company	151.42	-	-
- From Fellow subsidiaries	37.24	-	-
<b>Total payables to related parties (note 10(b))</b>	<b>188.66</b>	-	-
<b>Trade receivables:</b>			
- From Holding Company	35.16	5.11	-
- From Fellow subsidiaries	17.55	2.45	1,136.30
<b>Total receivables from related parties (note 5(b))</b>	<b>52.71</b>	<b>7.56</b>	<b>1,136.30</b>
<b>Advances</b>			
- From Holding Company	-	31.13	-
- From Fellow subsidiaries	41.30	36.81	-
<b>Total loans and advances to related parties (note 8)</b>	<b>41.30</b>	<b>67.94</b>	-
<b>Facility charges receivable</b>			
- From Fellow subsidiaries	-	-	73.47
<b>Total loans and advances to related parties (note 8)</b>	-	-	<b>73.47</b>
<b>Equity component of compound financial instrument (CCD)</b>			
- From Holding Company	-	8,274.00	-



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Total other equity (note 10 (a))</b>	-	<b>8,274.00</b>	-
<b>Loan/NCD payables:</b>			
- To Holding Company	-	1,950.00	-
- To Key managerial personnel and relatives	-	350.00	-
<b>Loan payables to related parties (note 6(c))</b>	-	<b>2,300.00</b>	-
<b>Interest payables:</b>			
- To Holding Company	-	15.15	-
<b>Interest payables to related parties (note 6(c))</b>	-	<b>15.15</b>	-
<b>Loan receivables:</b>			
- From Holding Company	-	-	590.00
- From Entities in which KMP/relatives of KMP can exercise significant influence	-	310.00	310.00
<b>Loan receivables from related parties (note 5(c))</b>	-	<b>310.00</b>	<b>900.00</b>
<b>Interest receivables:</b>			
- From Holding Company	-	-	87.91
<b>Interest receivables from related parties (note 5(c))</b>	-	-	<b>87.91</b>

### (h) Loans to related parties

Loans advanced

	To Holding Company		To Entities in which KMP/relatives of KMP can exercise significant influence	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Beginning of the year - Loan advanced	-	590.00	310.00	310.00
Beginning of the year - interest accrued	-	87.91	-	-
Loans advanced **	-	20,000.00	-	-
Loan repayments received	-	20,590.00	285.00	-
Interest accrued during the year	-	636.14	-	-
Interest received	-	(724.05)	-	-
Expense written off	-	-	25.00	-
<b>End of the year (note 5(c))</b>	-	-	-	<b>310.00</b>

\*\* includes Loan ₹ 20,000 given prior to acquisition of Spectrum Broadcast Holding Private Limited by Jagran Prakashan Limited

### (i) Terms and conditions

The sales to, purchases and other related party transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, The Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: ₹ Nil, 1 April 2015: ₹ Nil). This assessments is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>NOTE 27: CONTINGENT LIABILITIES</b>			
T-series performance royalty	517.04	390.72	276.10



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 28: COMMITMENTS

#### (a) Capital Commitment

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, plant and equipment	104.66	26.38	8.64

#### (b) Leases

(i) The Company is obligated under non-cancellable leases for offices renewable on a periodic basis at the option of lessor and lessee. Future minimum lease payments under non-cancellable operating leases which are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Not later than one year	1,523.40	1,099.20
Later than one year but less than five years	6,478.49	4,094.32
Later than five years	11,890.94	10,876.40
<b>Total</b>	<b>19,892.82</b>	<b>16,069.92</b>

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
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### NOTE 29: EARNINGS PER SHARE

#### a. Basic earnings per share

Basic earnings per share attributable to the equity holders of the Company (before exceptional item)	8.05	8.47
Basic earnings per share attributable to the equity holders of the Company (after exceptional item)	8.05	6.47

#### b. Diluted earnings per share

Basic earnings per share attributable to the equity holders of the Company (before exceptional item)	8.05	8.47
Diluted earnings per share attributable to the equity holders of the Company (after exceptional item)	8.05	6.47

#### c. Reconciliations of earnings used in calculating earnings per share

Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share		
Before Exceptional Item	3,665.91	3,615.92
After Exceptional Item	3,665.91	2,762.25

#### Diluted earnings per share

Profit attributable to equity holders of the company used in calculating diluted earnings per share		
Before Exceptional Item	3,665.91	3,615.92
After Exceptional Item	3,665.91	2,762.25

#### d. Weighted average number of equity shares used as the denominator in calculating basic earnings per share

Weighted average number of equity shares used as the denominator in calculating basic earning per share	45,536,411	42,699,017
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#### Adjustments for calculation of diluted earnings per share:

Weighted average number of potential equity share on account of Compulsorily convertible debentures	-	6,205.50
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#### Weighted average number of equity shares used as the denominator in calculating diluted earnings per share

	45,536,411	42,705,223
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## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 30: DUES TO MICRO AND SMALL ENTERPRISES

Disclosures pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 are as follows :

Sl. No.	Disclosure Requirement	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
2.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
3.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
4.	Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered MSMED Act, beyond the appointed day during the year	-	-	-
5.	Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day of the year	-	-	-
6.	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
7.	Further, interest remaining due and payable for earlier years	-	-	-

### NOTE 31: FIRST-TIME ADOPTION OF IND AS

#### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1(b) have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. EXEMPTIONS AND EXCEPTIONS AVAILED

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

###### A.2.1 Estimates

An Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in debt instruments carried at FVPL

### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### B. RECONCILIATION OF TOTAL EQUITY AS AT MARCH 31, 2016 AND APRIL 1, 2015

	Notes to first-time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		9,953.64	5,716.96
Adjustments pursuant to schemes of arrangement referred to in note 25		1,837.81	-
<b>Total equity (shareholder's funds)</b>		<b>11,791.45</b>	<b>5,716.96</b>
Ind AS Adjustments:			
Fair valuation of investments	1	47.16	-
Other equity	7	8,274.00	-
Fair valuation of security deposits	2	(5.34)	-
Reversal of lease equalisation entry	4	87.84	91.58
Fair valuation of plan assets	5	-	25.62
Borrowings-Transaction cost adjustment	3	40.12	210.59
Tax effects of adjustments	6	767.55	2,160.58
<b>Total adjustments</b>		<b>9,211.33</b>	<b>2,488.33</b>
<b>Total equity as per Ind AS</b>		<b>21,002.78</b>	<b>8,205.29</b>

### RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2016

	Notes to first-time adoption	March 31, 2016
Profit after tax as per previous GAAP		4,236.68
Adjustments pursuant to schemes of arrangement referred to in note 25		42.58
Profit after tax		4,279.26
Adjustments:		
Fair valuation of investments	1	47.16
Fair valuation of Security Deposits	2	(5.34)
Reversal of lease equalisation entry	4	(3.74)
Remeasurements of post-employment benefit obligations	5	51.98
Fair valuation of plan assets	5	(25.62)
Borrowings-Transaction cost adjustment	3	(170.46)
Tax effect on adjustments	6	(1,411.00)
<b>Total adjustments</b>		<b>(1,517.02)</b>
<b>Profit after tax as per Ind AS</b>		<b>2,762.24</b>
<b>Other comprehensive income (net of taxes)</b>	8	<b>(33.99)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>2,728.25</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### IMPACT OF IND AS ADOPTION ON THE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016

	Previous GAAP	Adjustments*	Ind AS
Net cash flow from operating activities	5,725.83	330.06	6,055.89
Net cash flow from investing activities	(6,126.01)	151.98	(5,974.03)
Net cash flow from financing activities	(2,739.74)	(416.20)	(3,155.94)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,139.92)</b>	<b>65.84</b>	<b>(3,074.08)</b>
Cash and cash equivalents as at April 1, 2015	4,316.27	8.46	4,324.73
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>1,176.35</b>	<b>74.30</b>	<b>1,250.65</b>

\*Including adjustments pursuant to schemes of arrangement (refer note 25)

### NOTES TO FIRST TIME ADOPTION

#### 1. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability.

Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31<sup>st</sup> March 2016.

#### 2. Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

#### 3. Borrowing Cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

#### 4. Lease equalisation for rental properties

Under Previous GAAP, the rent paid for leased properties were straight lined over the lease term. No such straight lining is done as per IND AS.

#### 5. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

#### 6. Deferred Tax expense

Under previous GAAP, deferred tax was to be recognised only when there was reasonable certainty that sufficient future taxable income will be available against which the deferred tax assets can be realised.

As per IND AS, deferred tax assets needs to be recognised when there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### 7. Equity component of compound financial instrument

Compulsorily convertible debentures have been considered as part of equity as per Ind AS. Under previous GAAP, it was shown as part of borrowings.

### 8. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' which includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

### 9. Revenue and Agency Commission

Under previous GAAP, the agency commission was included in other expenses without being netted off from revenue. Under Ind AS, revenue is being measured at fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

## NOTE 32: UTILISATION OF IPO PROCEEDS

### A. Amount utilised for share issue expenses

Amount utilised for share issue expenses ₹ 1,773.41 includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

### B. Utilisation of funds raised through fresh issue of equity shares pursuant to Initial Public Offering (IPO) is as follows:

	<b>Amount</b>
Issue Proceeds	40,000.00
Less : Transaction cost arising on share issue	1,773.41
Net Proceeds from IPO (net of amount payable to shareholders under offer for sale)	38,226.59
Less: Amount utilised as per the objects of the issue as per prospectus	14,750.48
Funds to be utilised (remain kept in fixed deposits and accounts with banks)	<b>23,476.11</b>
Amount invested in the fixed deposit account	23,000.00
Balance lying in bank accounts	476.11
<b>Total</b>	<b>23,476.11</b>



## NOTES TO FINANCIAL STATEMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 33: DISCLOSURE RELATED TO 'SPECIFIED BANK NOTES (SBN)

Details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows:

	SBN	Other denominations	Total
Closing Cash in Hand as on November 8, 2016	-	0.21	0.21
Add : Permitted Receipts	-	0.03	0.03
Cash Withdrawal	-	0.80	0.80
Less: Permitted payments	-	0.80	0.80
Amount deposited in banks	-	-	-
<b>Closing Cash in Hand as on December 30, 2016</b>	<b>-</b>	<b>0.24</b>	<b>0.24</b>

### NOTE 34: SEGMENT REVENUE

The Company is engaged primarily in the business of operating Private FM Radio Stations which constitutes a single reportable segment. Revenues of approximately ₹ 3,568 (March 31, 2016 – ₹ 3,446) are derived from a single external customer.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (012754N/N500016)  
Chartered Accountants

**Anurag Khandelwal**  
Partner  
Membership Number-078571

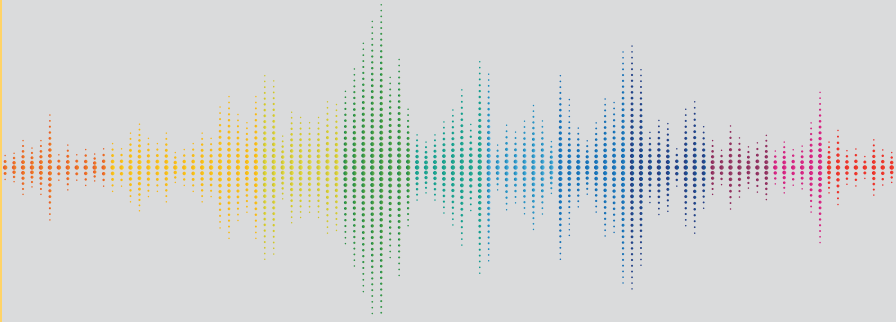
Place : Mumbai  
Date : May 25, 2017

For and on behalf of the Board of Directors

**Vijay Tandon**                      **Apurva Purohit**                      **Anuj Puri**  
Chairman                              Director                              Director

**Prashant Domadia**                      **Chirag Bagadia**  
Chief Financial Officer                      Company Secretary





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DISCOTHEQUES TAK.  
**JAIPUR KI**  
DASTKARI SE LEKAR  
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KITE FESTIVAL TAK.

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DAUDE CITY.**



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