

# entertainment network (India) limited

**Corporate Office:** Trade Gardens, Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India. Tel: 022 6753 6983. Fax: 022 6753 6800

August 31, 2017

|                                                                                             |                                                                                                                              |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>BSE Limited,</b><br>Rotunda Building,P. J. Towers,<br>Dalal Street, Fort, Mumbai- 400001 | <b>National Stock Exchange of India Limited,</b><br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East), Mumbai – 400 051 |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|

**BSE Scrip Code: 532700/ Symbol: ENIL**

Dear Sir/Madam,

In pursuance of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find enclosed herewith the Annual Report for the financial year 2016-2017 containing *inter-alia* the Notice convening the 18<sup>th</sup> Annual General Meeting (AGM) held on **Wednesday, August 30, 2017**, Board of Directors' Report with the relevant enclosures, audited financial statements (including audited consolidated financial statements, Report on Corporate Governance, Management Discussion and Analysis, Business Responsibility Report, Auditors' Report, etc. for the financial year 2016-2017.

All the resolutions as set out in the Notice of 18<sup>th</sup> AGM were duly approved by the Members of the Company with requisite majority.

The soft copy of the Annual Report is available on the Company web-site: [www.enil.co.in](http://www.enil.co.in) URL: <http://www.enil.co.in/financials-annual-reports.php>

Kindly place the same on your record.

In the event of any query, kindly feel free to call the undersigned on 9819701671.

Yours truly,

**For Entertainment Network (India) Limited**



**Mehul Shah**

**SVP - Compliance**

**& Company Secretary**

(FCS no- F5839)

Encl: a/a

**Regd. Office:** 'A' Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, India.

Tel: 022 6662 0600. Fax: 022 6661 5030. E-mail: [mehul.shah@timesgroup.com](mailto:mehul.shah@timesgroup.com) [www.enil.co.in](http://www.enil.co.in)

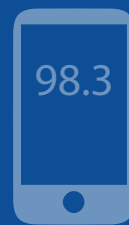
Corporate Identity Number: L92140MH1999PLC120516



**MIRCHI**  
**EVERYWHERE**  
MUCH MORE THAN RADIO



## CORPORATE INFORMATION



## BOARD OF DIRECTORS

(As on May 23, 2017)

### Mr. Vineet Jain

(DIN: 00003962) - Non-Executive Chairman

### Mr. N. Kumar

(DIN: 00007848) - Independent Director

### Ms. Punita Lal

(DIN: 03412604) - Independent Director

### Mr. Ravindra Kulkarni

(DIN: 00059367) - Independent Director

### Mr. Richard Saldanha

(DIN: 00189029) - Independent Director

### Mr. Prashant Panday

(DIN: 02747925) - Managing Director & CEO

## MANAGEMENT TEAM

### Prashant Panday

Managing Director & CEO

### N. Subramanian

Group Chief Financial Officer

### Tapas Sen

Chief Programming Officer

### Mahesh Shetty

Chief Operating Officer

### Yatish Mehrishi

Chief Revenue Officer

### GG Jayanta

EVP - Marketing

### Rahul Balyan

EVP - Digital

### Kaizad Irani

VP & Legal Head

## COMPANY SECRETARY

### Mehul Shah

SVP- Compliance & Company Secretary

## AUDITORS

### S. R. Batliboi & Associates LLP

Chartered Accountants

(ICAI Firm Registration number - 101049W/E300004)

## LEGAL ADVISORS

Singh & Singh Law Firm LLP

Halai & Co., Advocates & Legal Consultants

Khaitan & Co.

## BANKERS

HDFC Bank Limited

## REGISTRAR & SHARE TRANSFER AGENTS (R&TA)

Karvy Computershare Private Limited,

Unit: - Entertainment Network (India) Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032.

Phone: 040-67162222, Fax: 040-23001153

Toll Free No.: 1800-345-4001

## REGISTERED OFFICE

Entertainment Network (India) Limited,

CIN: L92140MH1999PLC120516,  
4th Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.

Phone: 022-66620600, 022-67536983

Fax: 022-67536800

E-mail: enil.investors@timesgroup.com

website: www.enil.co.in

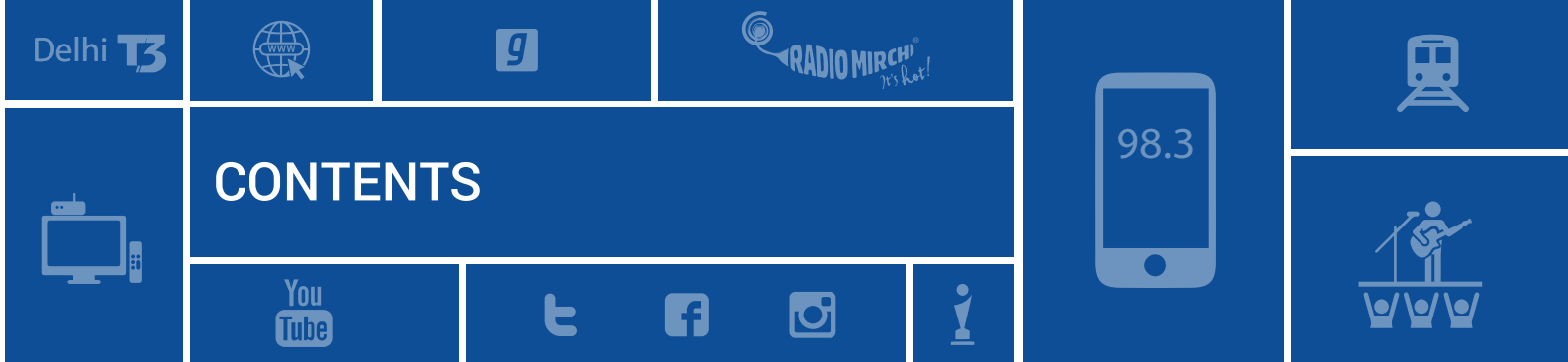
## CORPORATE OFFICE

Entertainment Network (India) Limited,

Trade Gardens, Ground Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.

Phone: 022-67536983

website: www.enil.co.in



## CORPORATE OVERVIEW

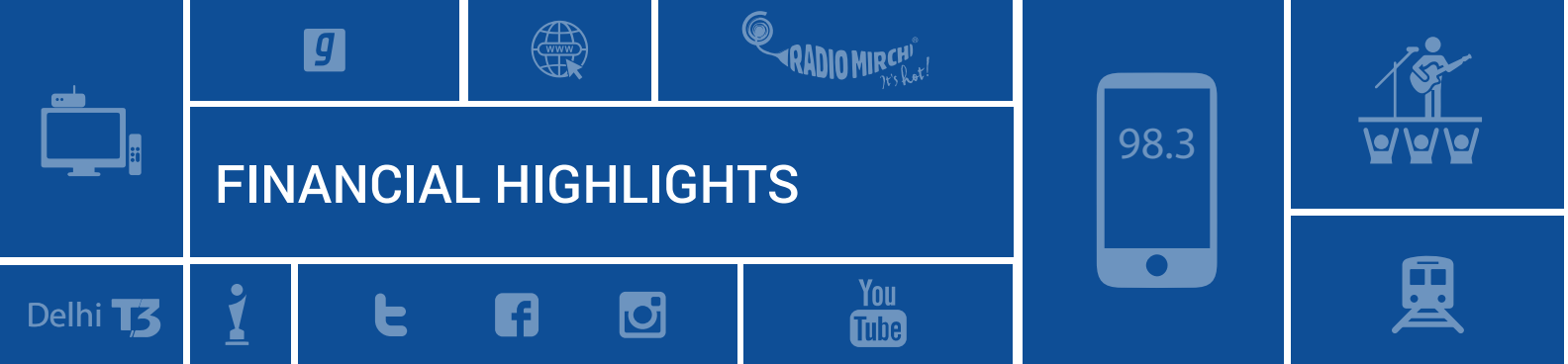
|                                           |    |
|-------------------------------------------|----|
| Financial Highlights                      | 02 |
| Mirchi Everywhere                         | 04 |
| Mirchi Advertising Everywhere             | 06 |
| Mirchi Everywhere in the Music Industry - |    |
| The Mirchi Music Awards                   | 08 |
| Mirchi Everywhere On-ground Too           | 16 |
| Mirchi Everywhere Online                  | 18 |
| Mirchi Everywhere in the Awards Circuit   | 19 |
| Letter from the Managing Director         | 20 |
| Board of Directors                        | 22 |

## REPORTS

|                                  |    |
|----------------------------------|----|
| Notice                           | 25 |
| Board of Directors' Report       | 34 |
| Report on Corporate Governance   | 70 |
| Management Discussion & Analysis | 90 |

## FINANCIAL STATEMENTS

|                                                                   |     |
|-------------------------------------------------------------------|-----|
| Independent Auditor's Report                                      | 100 |
| Balance Sheet                                                     | 106 |
| Statement of Profit & Loss                                        | 107 |
| Statement of Changes in Equity                                    | 108 |
| Statement of Cash Flows                                           | 109 |
| Notes forming part of the Financial Statements                    | 111 |
| Form AOC - 1                                                      | 147 |
| Independent Auditor's Report on Consolidated Financial Statements | 148 |
| Consolidated Balance Sheet                                        | 152 |
| Consolidated Statement of Profit & Loss                           | 153 |
| Consolidated Statement of Changes in Equity                       | 154 |
| Consolidated Statement of Cash Flows                              | 155 |
| Notes forming part of the Consolidated Financial Statements       | 157 |

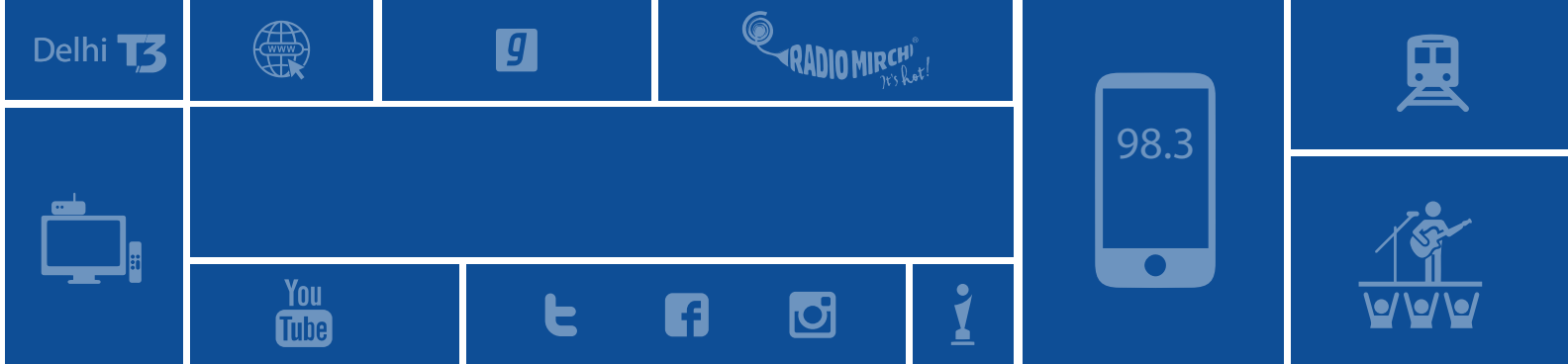


## Key Figures

(₹ in Lakhs)

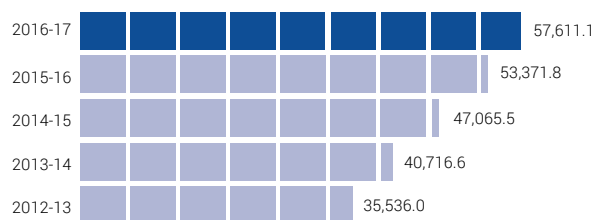
| Particulars                                                                                 | 2012-13     | 2013-14     | 2014-15     | 2015-16     | 2016-17     |
|---------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Results of Operations</b>                                                                |             |             |             |             |             |
| Total Revenue                                                                               | 35,536.0    | 40,716.6    | 47,065.5    | 53,371.8    | 57,611.1    |
| Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) & Exceptional items | 12,118.0    | 14,734.0    | 17,751.7    | 18,447.9    | 14,548.7    |
| Profit/(Loss) before Tax                                                                    | 8,944.4     | 11,549.5    | 14,460.9    | 14,816.4    | 7,831.2     |
| Net Profit / (Loss)                                                                         | 6,767.1     | 8,344.9     | 10,597.2    | 10,792.5    | 5,447.4     |
| <b>Financial position</b>                                                                   |             |             |             |             |             |
| Equity Share Capital                                                                        | 4,767.0     | 4,767.0     | 4,767.0     | 4,767.0     | 4,767.0     |
| Reserves and Surplus                                                                        | 45,463.4    | 53,250.5    | 62,690.7    | 75,874.7    | 80,699.6    |
| Net Worth                                                                                   | 50,234.4    | 58,017.5    | 67,457.8    | 80,641.7    | 85,466.6    |
| <b>Stock information</b>                                                                    |             |             |             |             |             |
| <b>Earnings Per Share (in ₹)</b>                                                            | <b>14.2</b> | <b>17.5</b> | <b>22.2</b> | <b>22.6</b> | <b>11.4</b> |

Note- Financial Information is as per applicable GAPP in reported periods

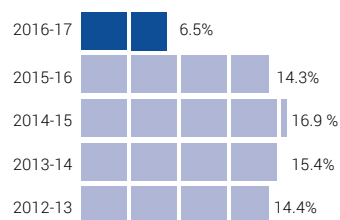


## Key Performance Indicators

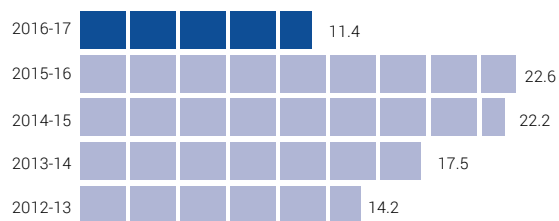
**Total Revenue (₹ in Lakhs)**



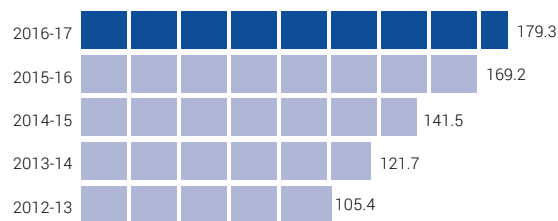
**Return on Average Net Worth (%)**



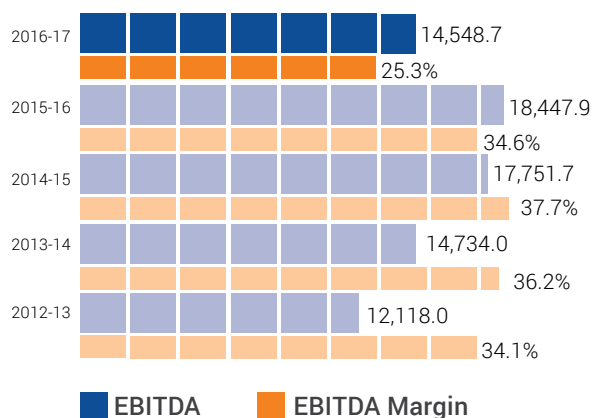
**Earning per Share (₹)**



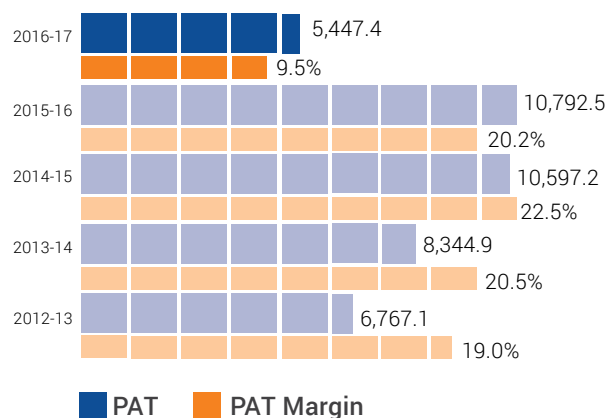
**Book Value per Share (₹)**



**EBITDA (₹ in Lakhs)  
& EBITDA Margin (%)**



**PAT (₹ in Lakhs)  
& PAT Margin (%)**

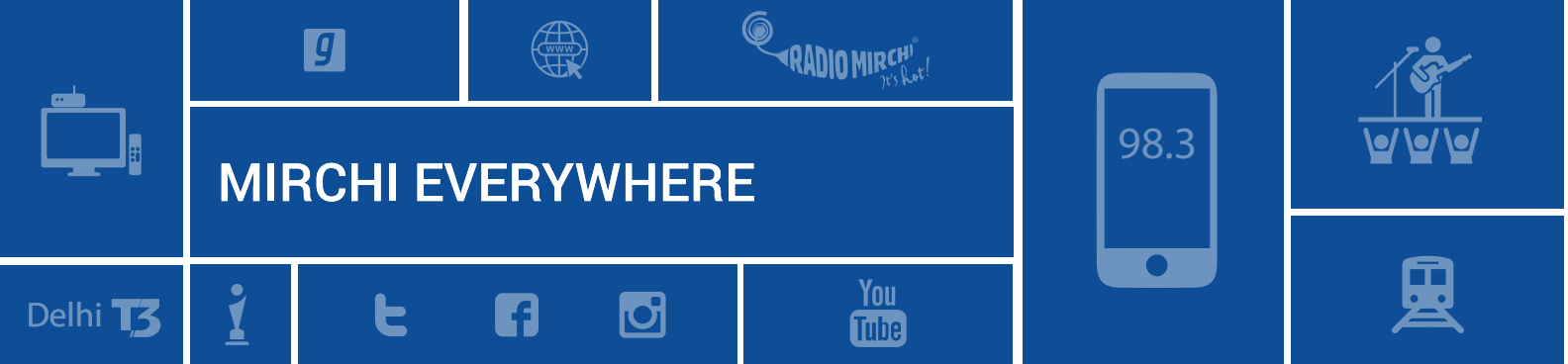


■ EBITDA

■ EBITDA Margin

■ PAT

■ PAT Margin



Mirchi Everywhere- an endeavour we started a few years back is moving ahead at a steady pace. Mirchi has become much more than Radio. We are now not only the largest radio network but also the largest organizer of concerts and activations. Besides this, Mirchi is also present on TV, Online, Social networks, Gaana, Delhi airport and now even on a Shatabdi train.

After the Phase-3 Batch-2 auctions, we have 21 new frequencies – taking our eventual total to 73 frequencies spread across 63 cities, spanning several languages and formats. Of the 73 frequencies, as many as 49 are currently live.

Our Online portfolio is also on a continuous expansion mode. We've added 5 new online stations to our bouquet of 16, taking the total to 21. These new stations play music ranging from Rabindra sangeet to International, from music for campus kids to Kannada and Telugu music. The new stations launched last year are Campus Radio, International Hitz, Rabindra Sangeet, Kannada Hits and Mirchi Love Telegu.

Mirchi is everywhere even on social networks. We streamed almost 200 million video views across our national and language YouTube channels in FY17. Together, these channels today command more than 1.2 million subscribers. On Facebook, we have over 4.5 million fans across our national and regional pages; And on Twitter, we have more than 340,000 followers

on our national and regional handles. Our website continues to be the #1 radio website in India.

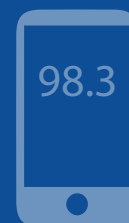
Mirchi is also on TV through its popular television properties like the Mirchi Music Awards, Mirchi Top 20 and Spell Bee. The Mirchi Music Awards (MMAs), which are amongst the most respected awards in the film and music industry, are held in eight languages – Hindi, Bengali, Tamil, Telugu, Kannada, Malayalam, Marathi and Punjabi. These are telecast on TV and this year had a gross reach of 285 million people all over India (sum of all channels and shows). Through Spell Bee which is targeted at school children, we reached over 1,000 schools and more than 1 million students in 30 cities.

Mirchi is present everywhere on-ground too. We brought some of the largest experiential properties to consumers with over 180 activations during the year. At the Nexa P1 powerboat Grand Prix of the seas, we were the proud owners of Mumbai's hottest team- Mirchi Mavericks. Driven by internationally acclaimed pilots, our boats took the sea by storm. Mirchi Binge fest, in its debut year, saw a footfall of more than 15,000 over a weekend, as Mumbaikars indulged in a wonderful variety of food, fashion & drinks, curated by some of the best restaurants. Also, continuing the ultimate mélange of the adrenaline of a run and the rush of a party, Mirchi Neon Run was extended to six cities and was bigger, better and wackier. A participating crowd of over 20,000 runners enjoyed the run, followed by a grand after party. We are now a big player in musical concerts space as well. Our concerts business, branded Mirchi Live, took off this year with as many as 76 concerts being organized in 26 cities. That's more than 1 every 5 days. This year Mirchi brought popular YouTube star VidyaVox to Mumbai, Chennai and Bangalore. VidyaVox is a rage on social media platforms and enjoys a massive fan following. The festival put her in touch with her fans and delivered an unmatched experience of fusion music to nearly 11,000 raving fans.

With Mirchi Everywhere, we are constantly trying to push the envelope and we did it this year by launching Mirchi on a Shatabdi train – Mirchi's first footprint on the Indian Railway network. With the roll-out of



**MMA Hindi a huge success on Digital too!**

You  
Tube

Mirchi on Kalka Shatabdi we are now in a position to offer a unique experience to nearly 48,000 travellers every month.

Mirchi was also an aggressive advertiser last year. It supported the launch of its new frequencies in all major markets. High-impact and innovative advertising was created and released all over media such as print, outdoor & digital.

Mirchi Everywhere is responsible for your Company's strong financial performance. In a year in which DeMonetization disrupted regular business, your Company's revenues from operations grew 9.4% to 556.6 crore. This year promises to be even more action-packed with the launch of more FM stations acquired during Phase-3 batch-2 auctions, more action in the online space, concerts and on-ground activations scaling higher heights. Here's to More Mirchi Everywhere!!!

**Come and cheer for Mumbai's hottest team**

**MIRCHI MAVERICKS**

**at the Indian Grand Prix of the seas!**

**98.3 FM RADIO MIRCHI**  
www.radiomirchi.com

**gaana+**

**DATE:** MARCH 03<sup>rd</sup>, 04<sup>th</sup>, 05<sup>th</sup>, 2017  
**TIME:** 2-5 PM  
**VENUE:** Marine Drive, Mumbai

Mumbai's hottest team - Mirchi Mavericks takes the sea by storm



Mirchi launched its second frequency stations with high decibel marketing campaigns. In Bangalore & Hyderabad, the brand attributes of the new station (Mirchi 95) are similar to those of the parent brand (Mirchi 98.3). Both are high on energy, are fun brands & are happy in attitude (we can ourselves a sunshine brand!). The only difference being that Mirchi 98.3 plays Kannada/Telugu songs & Mirchi 95 plays Hindi music. To communicate this, we created an ad on the theme of "judwa". Titled "TWO Hot To Handle," the ad featured look-alike with similar attributes while the two logos at the top contrasted the language of the respective stations.

This was followed by a "frequency" campaign – to help the listeners remember the frequency 95 FM. To drive this effectively, we launched the campaign "95% Discount." For three weeks we gave out attractive gifts on air – like petro-cards, shopping vouchers – at 95% discount. This generated an unprecedented buzz in Bangalore & Hyderabad.

This was followed by campaigns where we gave out lucrative gifts on air. In Bangalore we did a contest to give iPhone 7 to listeners, the moment it was launched in India. In Hyderabad, we raised the stakes higher and gave a Mercedes car on air. These mega gifts indeed caught the fancy of the people and helped establish Mirchi 95 as the clear number 1 Hindi station in these cities.

The other new brand – Mirchi Love – launched an innovative show on radio, featuring ace singer and the de-facto voice of romance, Arijit Singh. The promotion

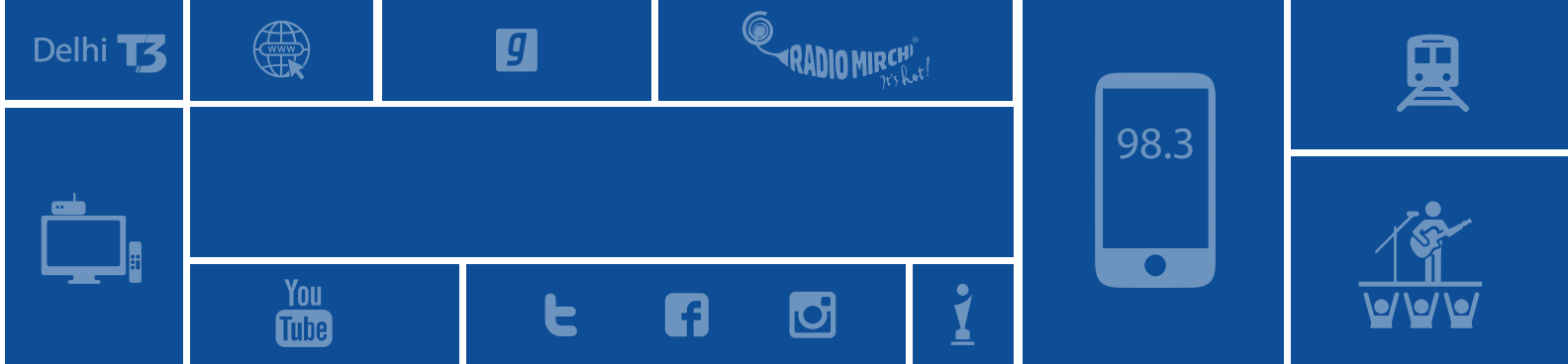
was called "Dedicate Love with Arijit Singh". Arijit songs were played back to back during the promotion hours, and interviews of Arijit as well as other music icons were placed in-between the songs. The launch was communicated across outdoor, print and digital media.

Then came Valentine's Day – the biggest occasion for celebrating love. Mirchi Love generated unprecedented buzz with probably the biggest ever gratification on radio – a couple's trip to London. The campaign titled "Love In London" provided lucky dating couples an opportunity to propose at the London Bridge. Listeners loved us back, establishing Mirchi Love as the love station in the market!

Mirchi launched its stations in new markets also with a bang. In Chandigarh, we managed to rope in the super-star Diljit Dosanjh. He agreed to be the co-curator of the station. This helped us connect with local audiences. Similarly, in Guwahati, to resonate with the "Assamese pride", we collaborated with ace singer and Mirchi Music Awards winner Papon, who also co-curated for the station.

In Kochi, we launched a station playing a unique mix of music. We play 50% Hindi and 50% Malayalam music. College kids call Hindi music "punchy", the kind that they enjoy dancing to; so we call our station also a punchy station! Post launch, as a frequency establishing campaign we launched a 104 Mirchi Gold Punch campaign. 104 listeners won gold coins every week in the period leading up to Onam. Gold is something that resonates in Kerala and this campaign was a huge success.





Mirchi campaigns on various media



## The Mirchi Music Awards

India's biggest musical extravaganza – Mirchi Music Awards this year marked a change in the usual format - what used to be an event only for the music fraternity, was open to the public for the very first time! Limited tickets were sold so that fans of music could attend the event and see their favorite Bollywood stars and musicians live.

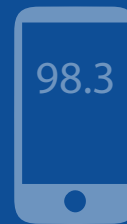
Many Bollywood A-listers attended the star-studded event including Karan Johar, Alia Bhatt, Anushka Sharma, Varun Dhawan, Shilpa Shetty and Diljit Dosanjh. The night was hosted by none other than the king of Bollywood melodies, Sonu Nigam. There were sizzling performances by Amit Trivedi, Papon, Badshah, Armaan Malik, Sukhwinder Singh, Jubin Nautiyal, Shalmali Kholgade, Neeti Mohan, Neha Bhasin to name only a few.

The Awards honored musical talent across many categories. Karan Johar, who was presented with the Royal Stag Make It Large Award, was visibly moved by the tribute he was given. Usha Uthup, aptly dressed in a saree with mirchi motifs was awarded the Lifetime Achievement Award for her long and illustrious career. Another high point of the evening was the reigning King of Bollywood ballads – Arijit Singh – winning Male Vocalist of the Year. Besides this, "Ae Dil Hai Mushkil" bagged many awards including Song of the year, Album of the year, Music composer of the year and Lyricist of the year. Female vocalist of the year was won by Jonita Gandhi for her song "Gilehriyaan" from Dangal. The Listener choice song of the year went to "Soch na Sake" from Airlift and the Listener choice album was bagged by Dangal.

Telecast on Zee TV, Zee Anmol, Zing & Zee TV HD the show was a resounding success among viewers with over 140 million people tuning in to watch it all over India.



Multi-talented Karan Johar celebrates the "Make it Large" award with the people who have been part of his films.

You  
Tube

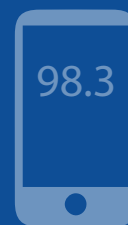
Mesmerizing sight: Papon's sparkling performance with Bihu dance girls.



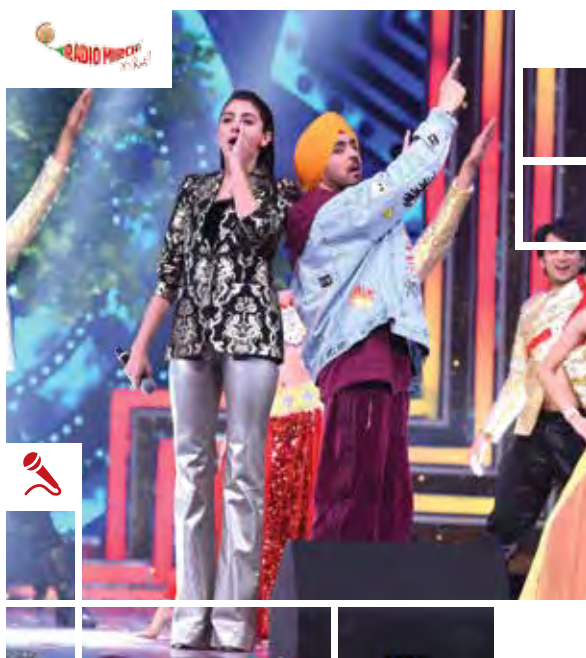
An emotional moment for Usha Uthup, post receiving the Lifetime Achievement Award, well supported by the fraternity



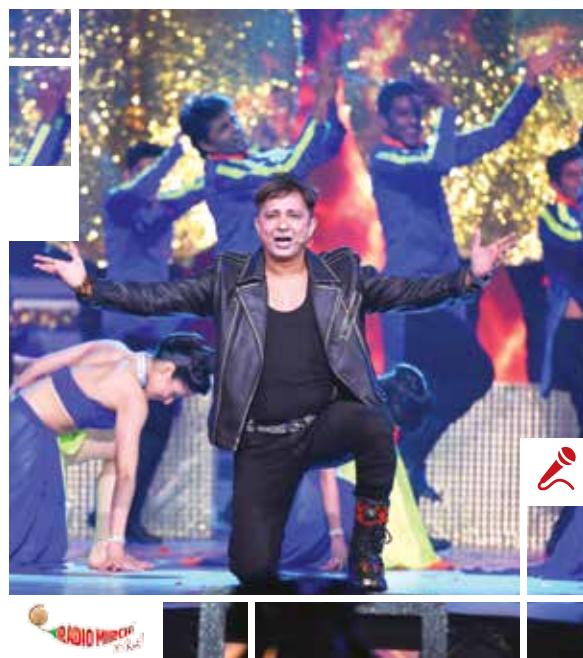
# THE MIRCHI MUSIC AWARDS



Delhi **T3**



Elegant Anushka Sharma and enthusiastic Diljit Dosanjh doing their magic



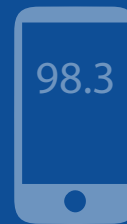
Evergreen Sukhwinder Singh delivering yet another great act



Badshah raps while engaging with the audience



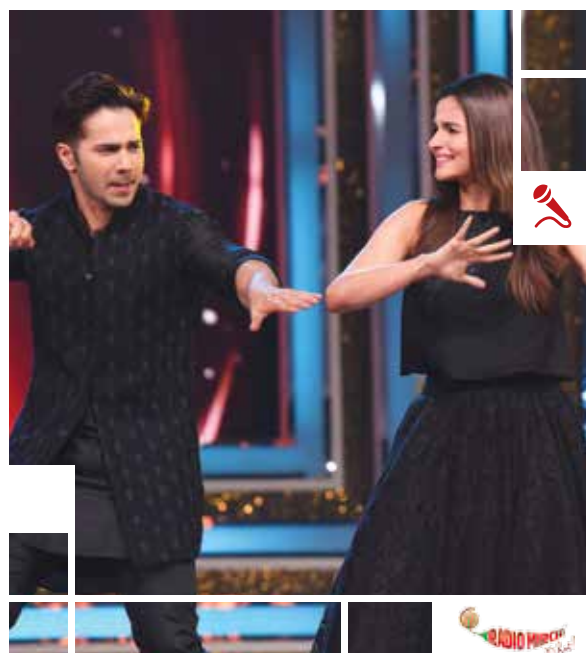
Little masters sing their song "Hanikarak Babu" from Dangal

You  
Tube

Arijit Singh, Jonita Gandhi and many other award winners on stage



Armaan Malik in a brilliant performance



Varun Dhawan and Alia Bhatt's fiery performance



The 5<sup>th</sup> edition of the Mirchi Music awards (Marathi) was held at Mumbai this year. It was attended by the biggest names of the Marathi film and music fraternity including Ajay- Atul, Avdhoot Gupte, Swapnil Bandodkar, Sai Tamhankar & Tejaswini Pandit



Ajay and Atul being facilitated by Pallavi Joshi



Avdhoot Gupte and Swapnil Bandodkar make MMA Marathi a starry night



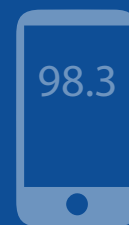
Sai Tamhankar & Tejaswini Pandit left the audience spellbound with their melodious note



Mahesh Manjrekar- the ace director, at the MMA Marathi stage



# MIRCHI MUSIC AWARDS BANGLA



The Mirchi Music awards (Bangla) completed their 6<sup>th</sup> edition in March this year. The show was an outstanding success with the presence of the biggest stars of Bengali cinema, of the likes of Rituparna Sengupta, Dev, Jeet, Anupam Roy, Mimi Chakraborty, Yash Dasgupta, Nachiketa, Rupam and many others.



Yash, the Tollywood youth icon performs to songs from his movie Gangster



Nachiketa and Anupam Roy were a perfect melody experience



Dev, Abir, Jeet, Rituparna, biggest Tollywood stars come together for the first time for MMA Bangla



# MIRCHI MUSIC AWARDS PUNJABI

This year the 3<sup>rd</sup> edition of Mirchi Music Awards (Punjabi) was held in Mohali and witnessed outstanding performance from the who's who of Punjabi music industry including Diljit Dosanjh, Badshah, Malkit Singh, Kaur B, Guru Randhawa, Jazz Dhami, Fazilpuria, Sukh-e and Nav Inder.



The heart-throb Diljit Dosanjh in his captivating performance



Faizalpuria during his power packed performance



Malkit Singh performance is a visual delight



Badshah in his element at MMA Punjabi



# MIRCHI MUSIC AWARDS SOUTH



The Mirchi Music Awards (South) completed their 7<sup>th</sup> edition. The only pan-South music award show. Celebrities of the likes of Pawan Kalyan, Vikram, Venkatesh, Poorna, Devi Sri Prasad, Poonam Bajwa, Mannara Chopra, Lakshmi Manchu, Mumaith Khan, Kushboo, Ramajogayya Sastry, Nani, Sai Karthik, Jayaprada, Koti, Allu Airish, Anirudh, Sudheer Babu and others graced the event.



Telugu Superstar Venkatesh enjoys the show



"Nightingale of the South" Chitra with the Superstar Pawan Kalyan



Sadhika in an electrifying performance

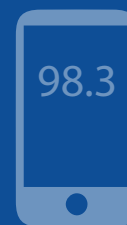


Music Director Deva on winning the Lifetime Achievement Award poses with Gangai Amaran & Gurukiran, amongst others



## MIRCHI EVERYWHERE ON-GROUND TOO

Delhi **T3**



Mirchi created some of the largest experiential properties on-ground, on-television and online last year. The brand took these experiences to consumers with over 180 events, hence extending its connect with them beyond radio.

National properties like Freshers, Rock & Dhol and Durga Puja celebrations scaled up from last year. Innovative concepts like the Mirchi Binge Fest and Mirchi Fusion Fields were launched during the year. Mirchi Live, Mirchi's live music banner, brought concerts to consumers with more than 76 concerts organized during the year.



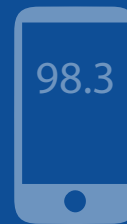
Neon Run Season 2 was extended to 6 cities with over 20,000 runners



Mirchi Rock n Dhol – Season 3... 9 days of Navratri... over 40,000 Garba enthusiasts...



India's biggest spelling competition - Spell Bee, an event that reached 1,000 schools and around 1 million kids.

You  
Tube

KK delivering a soulful performance at Mumbai



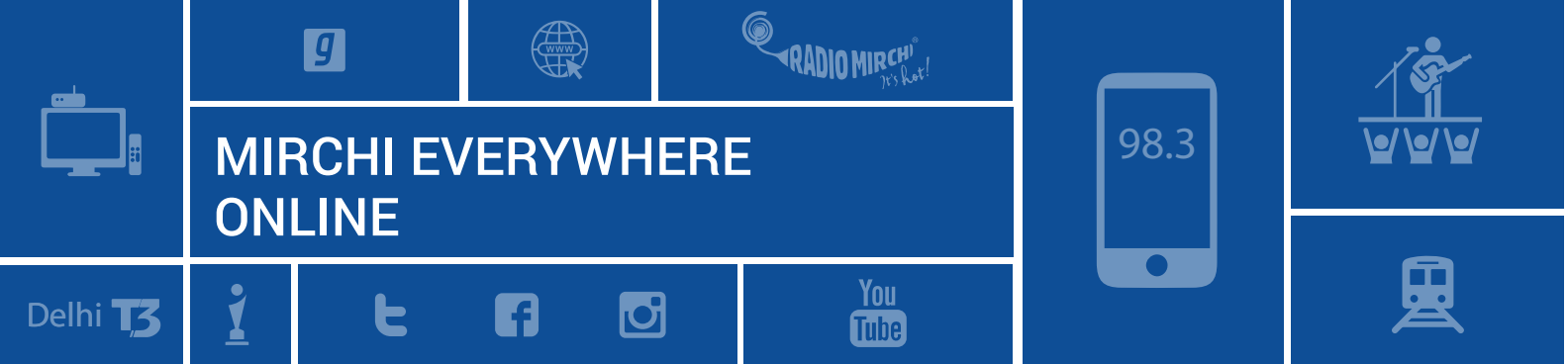
Vidya vox enthral her 11,000 audience at Mumbai, Bangalore & Chennai.



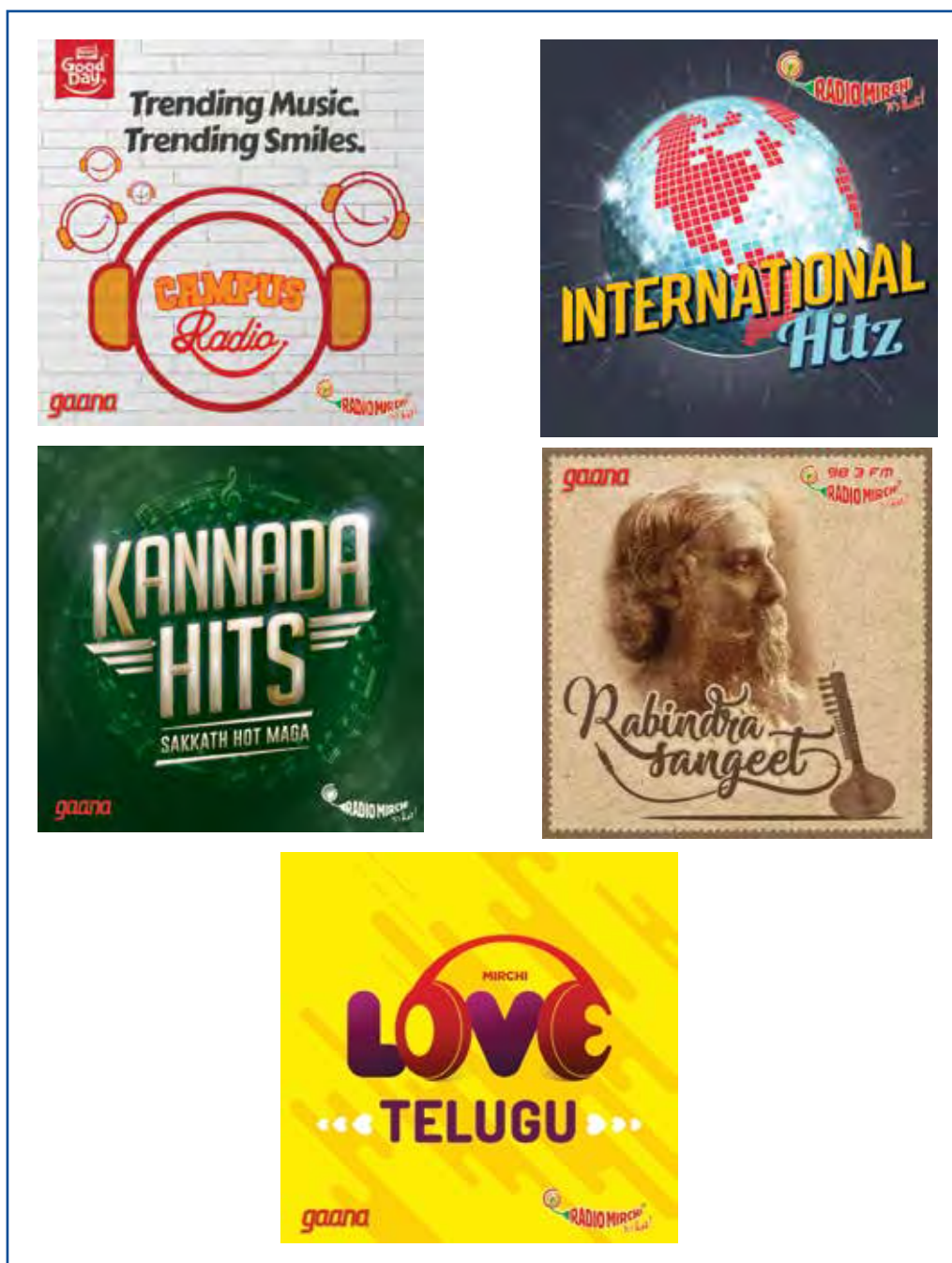
The mesmerizing Sufi festival in Mumbai



Papon spell bounds the audience with his performance at Hyderabad

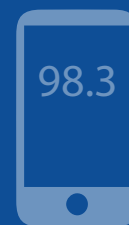


Mirchi has undergone significant expansion even in the online space. Launching 5 new stations last year, Mirchi now streams a total of 21 online stations on the Gaana.com platform. Five of our stations are among the top ten properties on Gaana, and these stations have the highest engagement rates across Gaana. The quality of our content is helping us grow our listeners, we now reach over 3.3 million unique users a month. Mirchi has further strengthened its presence on Facebook, Twitter and YouTube as well. Many of our campaigns trended nationally last year. Our campaign on Mirchi Music Awards reached 24.1 million people on Facebook generating 127 million impressions; 74.9 million people on Twitter generating 2.27 billion impressions, and 42 million views on YouTube, hence making it a big social media activities in the country!





## MIRCHI EVERYWHERE IN THE AWARDS CIRCUIT



### Radio Mirchi wins the "Master Connectors" award at the Pitch Top 50 Brand 2016

Radio Mirchi is proud to have won the Master connector award at the Pitch Top 50 Brand, in July 2016. The award is for brands that have managed to establish a connect with people. Master connector brands have a legion of their own followers. This award is not based on a submission of entries but identification and recognition is by an all-star jury headed by Mukund Rajan, Brand Custodian and Group Spokesperson, Tata Group.

### New York Radio Awards for Radio Mirchi:

Radio Mirchi bagged India's only Gold for its 'Five years of Nirbhaya' campaign under the public service announcement promotion category. Radio Mirchi also bagged a Bronze Radio for 'Ha Ja Ba Ra La' under the Best Audio Book Fiction category and three finalist certificates for 'Mone Achhe Tor' under the Best Innovation category, 'Hi Kolkata - Telephone Talk,' under the Best Two Way Telephone Talk/Interview Show category and for 'Help Dorris' under the Best Human Interest Story category.

### Mirchi wins at the Asia Consumer Engagement Forum:

Mirchi won Gold for Creativity of its event- 'Mirchi Silent Party', a silver for Creativity for its radio campaign- 'Old is not That Old' and 3 Bronze for- Successful use of Technology at 'Mirchi Silent Party', Promotion of its 'Call you Mother Campaign' & for Successful use of CSR Activity for its 'Flat 983 campaign'

### Mirchi wins 19 awards at ERA awards

Mirchi won 9 Gold including RJ of the year (Bengali) for Mir, Best Breakfast programme (Tamil) for Kunjum Coffee Kunjum Melody, most creative campaign for Finding Mirchi. The 10 Silver include RJ of the year Hindi, Bengali and Marathi for RJ Jeeturaj, RJ Ayantika and RJ Nimi respectively and best radio programme (Bengali) for Hi Kolkata

### Golden Mikes Awards for Radio Mirchi:

Radio Mirchi won a Broadcaster award for "Best on-air promotion by a Network of Radio Stations for Self" for its Call your Mother campaign, we also won an award for "Best On Ground Promotion by a Single Radio Station for Self" for our Mirchi Silent Party and an Effectiveness award for "Best Use of Radio" for Finding Mirchi for Maggi Hotheads campaign for Nestle



### CSR Awards:

We won the ABP NEWS CSR Leadership Awards 2016-17 for outstanding social impacts, during the World CSR Day conference in Mumbai. This was regarding our initiatives and support to AR Rehman Foundation, Nalandaways and NAB Preparatory Unit.

### Mirchi at WOW awards:

Our agencies won a Gold award in the category – Brand association with a sports platform, for Mirchi Neon run, a silver for Brand association with an entertainment platform, for Mirchi Silent party & for Contact program of the year for Classmate Spell Bee Season 9.



## LETTER FROM THE MANAGING DIRECTOR



**As the leader we remain front runners to make the most of the future. Our long term strategy- Mirchi Everywhere- will help us exploit new opportunities**

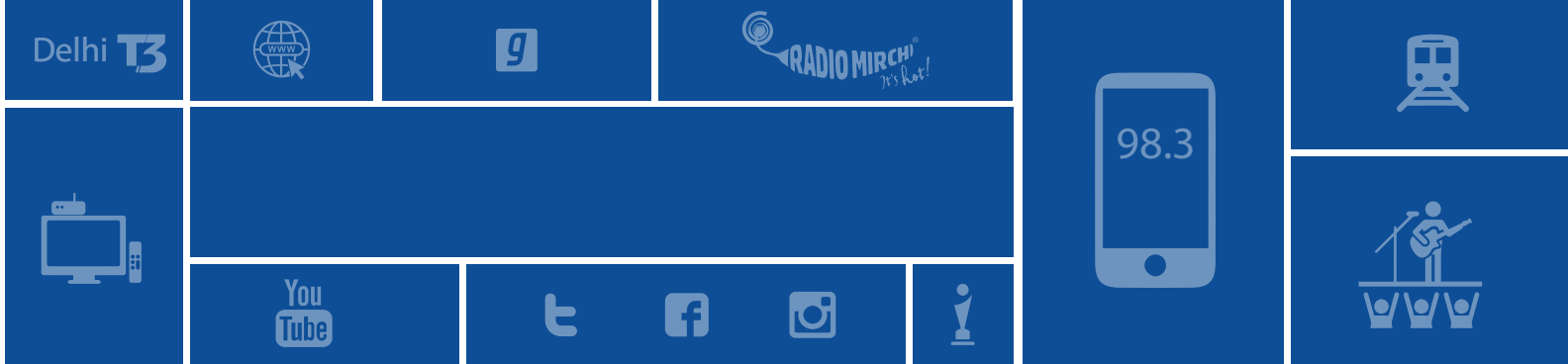
Dear Stakeholders,

A year that began with a bang ended in a whimper. The radio industry grew a strong 18% in the 1st quarter of FY17, a healthy 10% in the 2<sup>nd</sup> quarter and a weak 1.8% and 0.6% in the 3<sup>rd</sup> and 4<sup>th</sup> quarters. The government's DeMonetization initiative – which will hopefully provide a long term growth impetus to our business – was responsible for this poor finish to the year. The shortage of cash affected all, big companies and small. Real Estate, FMCG, Durables, Auto, Retail....all big advertisers on radio....cut ad spends in response to DeMonetization. The only sector which upped ad spends was BFI– having directly benefited from the initiative. Even that increase was limited only to December '16. Thereafter, as banks got busy handling cash, their ad budgets went South. The only savior was the Government of India, which increased ad spends consistently.

The other savior – albeit a smaller one– was the roll-out of new stations launched under Phase-3. Collectively, new stations generated about ₹ 40 – 50 crores in FY17, in an industry that crossed the ₹ 2000 crores mark. New stations accounted for almost 70% of the radio industry's muted growth in the period after DeMonetization.

I must mention here that while the impact of DeMonetization has waned, new initiatives such as RERA (Real Estate Regulatory Act) and GST have created a fresh spell of uncertainty for the corporate sector. With uncertainty comes an immediate, though temporary, cut in ad spends. Who will advertise when the distribution pipeline is dry, or when customers are staying away from the market? It is now believed that growth can only be expected during the festive season starting mid to end August. This belief also is a little shaky, considering that the impact of GST may last through FY18. These are choppy times, but hopefully, they will result in a long period of more energized growth.

You will recollect that your Company invested strongly in the Batch-1 auctions of Phase-3. We built a network of 2<sup>nd</sup>-frequencies in all major towns. We even acquired a 3<sup>rd</sup> frequency in Hyderabad. During the year, all these stations became operational. We created two new brands. The first, Mirchi 95, is what the Hindi channels in Bangalore and Hyderabad are called. The second, Mirchi Love, is the love network that we created in Hyderabad (3<sup>rd</sup> frequency), Ahmedabad, Pune, Lucknow, Kanpur, Jaipur, Surat and Nagpur (all 2<sup>nd</sup> frequencies). Further,



during FY17, we became the ad selling agents for the radio stations of TV Today in Delhi, Mumbai and Kolkata, which they re-launched as Ishq FM, again a love format. Together, we now offer advertisers a love network spanning 11 of the biggest cities.

We also launched brand Mirchi in new cities Chandigarh, Kochi, Guwahati and Shillong. We are doing very well in all these markets, most of all in Chandigarh, where we have become listenership leaders. The story in the other three markets is equally encouraging. Clearly, the popularity of brand Mirchi is helping us bore our way to the top.

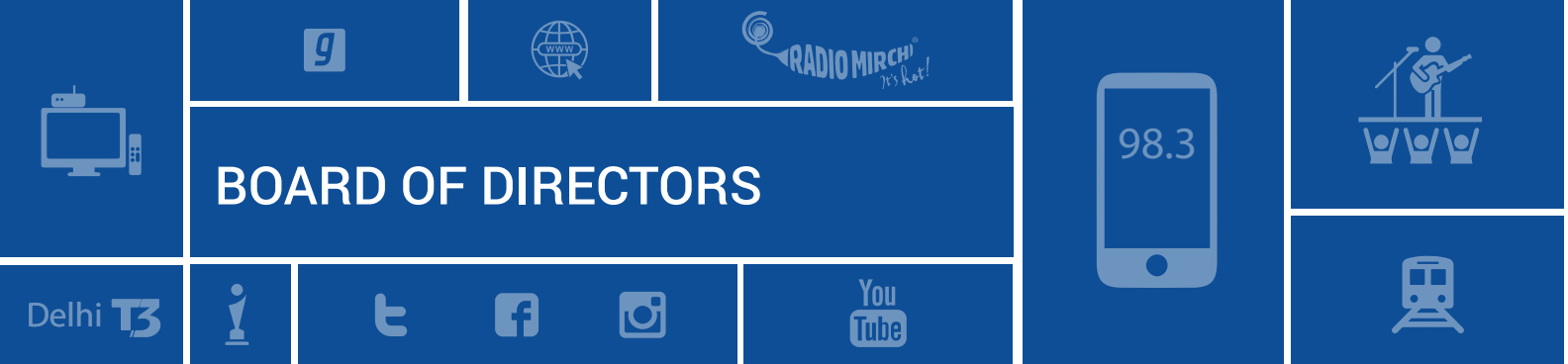
We have adopted a bold sales strategy in our new stations. The media business is merciless to those who price themselves cheap. Raising prices later becomes difficult. Unlike in other businesses, a launch discount scheme often ends up becoming a permanent one. We have avoided this in every market. Our pricing is pegged either to the top or at worst to the 2<sup>nd</sup> top most player. We have also kept our advertising volumes low, below 10 minutes, so as to give a superior listenership experience and attract audiences. We have been successful with this strategy. In Bangalore and Hyderabad, Mirchi 95 (Hindi) commands a price premium of 10% and 5% respectively over the Kannada and Telugu Mirchi stations. In Chandigarh, we are already the price leaders. In Mirchi Love markets, we have launched at the number-2 player price, since in most markets the number-1 player is Mirchi 98.3 itself. Our volume growth is expectedly slow, but our advertisers have started accepting our price point, understanding that less clutter makes their ads more effective.

We also bid in the Batch-2 auctions conducted in October-December '16 and won 21 licenses in as many new cities. These new cities have been chosen so as to strengthen our existing network in fast growing states. We will soon be present in 10 cities in Gujarat (plus 2<sup>nd</sup> frequencies in Ahmedabad and Surat, making a total of 12 stations), 8 in Maharashtra (plus 2<sup>nd</sup> frequencies in Pune and Nagpur), 6 in TN/Puducherry, 7 in Madhya Pradesh/Chhatisgarh, 5 in AP/Telangana (plus 2<sup>nd</sup> and 3<sup>rd</sup> frequencies in Hyderabad), 4 in UP, 4 in Karnataka (with 2 frequencies in Bangalore) and 3 in West Bengal. During the year, we gave up our Goa station because of poor financial viability. At the end of all this, we will have a network of 63 cities, with a total of 73 frequencies, the biggest by far in the country!

FY17 also saw a big growth in our digital presence. We look at the digital revolution as an opportunity to extend the brand, bring in more listeners/viewers and also make more revenues. During the year, we grew our fan base on Facebook to more than 4.3 million. Our YouTube channels, in different languages, have more than 1.1 million subscribers. Our content generated nearly 200 million views last year. Our presence on Instagram and Twitter has also grown manifold. All these platforms have increased the reach of brand Mirchi way beyond that provided by the FM signals. We believe our brand's reach could be as high as 100 million people against the 55-60 million estimated through FM radio. We reach these extra people mostly via video, made by the same creative teams that have made radio such a pleasurable experience. In addition, we now have 21 online radio stations, hosted on Gaana.com. We get an estimated 3 million online listeners per month. Online radio listenership is measured in terms of "streams" with one stream equivalent to one song heard by one listener. In FY17, we generated close to 275 million streams. Our stations were so popular that 5 of the top 10 slots on Gaana belonged to us! Finally, on revenues, the challenge in the digital business is well known. The advertising ecosystem is still emerging. However, we are innovating and trying new ways of making monies. The future holds much promise. We need to keep working at it!

While FY17 was surprised by challenges, and FY18 could remain affected by disruptions as well, the long term prognosis for consumer businesses stays positive. As the leader in this exciting segment of media, we remain front runners to make the most of the future. Our long term strategy – Mirchi Everywhere – will help us exploit new opportunities. I would like to thank all stakeholders – our loyal listeners, our supportive board members, our hard-working team members, our business partners, the government, the regulatory authorities and most of all, you, our trusting shareholders. We will continue, as always, to live up to the confidence you have reposed in us.

**Prashant Panday**  
Managing Director & CEO  
(DIN: 02747925)



## Mr. Vineet Jain

(Chairman & Non- Executive Director)

A trustee and board member of several organizations, Mr. Vineet Jain - Chairman & Non- Executive Director (ENIL) holds a Bachelor's degree (B. Sc.) in International Business Administration in Marketing from Switzerland.

As the Managing Director of Bennett, Coleman & Co. Ltd., Mr. Jain is acknowledged as a thought leader in transforming the Times Group from a publishing house to a diversified media conglomerate. He has made a significant difference to the landscape of the new age media in India. His leadership in the domain of Internet, Radio and Out of Home has added a new impetus to the categories.

He is on the managing committees of philanthropic organizations viz. The Times Foundation, The Times of India Relief Fund and the S. P. Jain Foundation.

Mr. Jain is also a member of the Board of Directors of The Press Trust of India Ltd.



## Mr. N. Kumar

(Independent Non- Executive Director)

Mr. N. Kumar is the Vice Chairman of The Sanmar Group ([www.sanmargroup.com](http://www.sanmargroup.com)), a multinational US \$ 1 billion conglomerate headquartered in Chennai, India with manufacturing facilities in India, the US, Mexico, and Egypt. The Group is engaged in key business sectors - Chemicals (including Speciality Chemicals), Engineering (Products and Steel Castings) and Shipping.

Mr. N. Kumar is the Honorary Consul General of Greece in Chennai. As a spokesman of Industry and Trade, Mr. N. Kumar has been a President of CII and participated in other apex bodies. He is also the President of the Indo-Japan Chamber of Commerce & Industry.

Mr. N. Kumar is on the Board of various public companies and carries with him over four decades of experience in the spheres of Electronics, Telecommunications, Chemicals, Engineering, Technology, Education, Management and Finance.

Mr. N. Kumar has a wide range of public interests going beyond the confines of corporate management in areas of health, social welfare, education and sports. Mr. N. Kumar is a Governing Council Member of Save the Children, India with a key responsibility of Child Safeguarding. He is one of the Trustees of WWF-India (World Wide Fund for Nature - India). He is the Chairman of Madhuram Narayanan Centre for Exceptional Children and Managing Trustee of The Indian Education Trust which runs two Schools (one School Affiliated to CBSE, New Delhi and one School recognized by the Government of Tamil Nadu).

Mr. N. Kumar is an Electronics Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers. He is an avid golfer and a patron of cricket and tennis.

You  
Tube

## Ms. Punita Lal

(Independent Non- Executive Director)

Ms. Punita Lal is a B.A. (Hons.) Economics graduate from St. Stephen's College, Delhi and an MBA from Indian Institute of Management, Calcutta. With over 25 (twenty-five) years of experience in strategy, marketing and leadership in the corporate world across Asia, her experience spans multiple disciplines, geographies and cultures. As a senior business leader, she has many accolades to her credit, including being chosen as one of India's top 20 (twenty) Business Women by Business Today in 2006 and being awarded Corporate Woman of the Year in 2009 by the FICCI Women's Organisation.

Ms. Lal's last held executive role was as CEO for NourishCo, a strategic joint venture between the Tatas and PepsiCo. Prior to that she was Executive Director - Marketing for PepsiCo Beverages, where she was a key member of the Executive Committee of PepsiCo, handling strategic development for a diverse and large portfolio of beverages worth over \$1 bn.

Ms. Lal worked in Coca Cola China for 5 (five) years prior to returning to India, and began her career in advertising where she worked on several blue-chip FMCG clients including Unilever, J&J, Kellogg's and Pepsi.

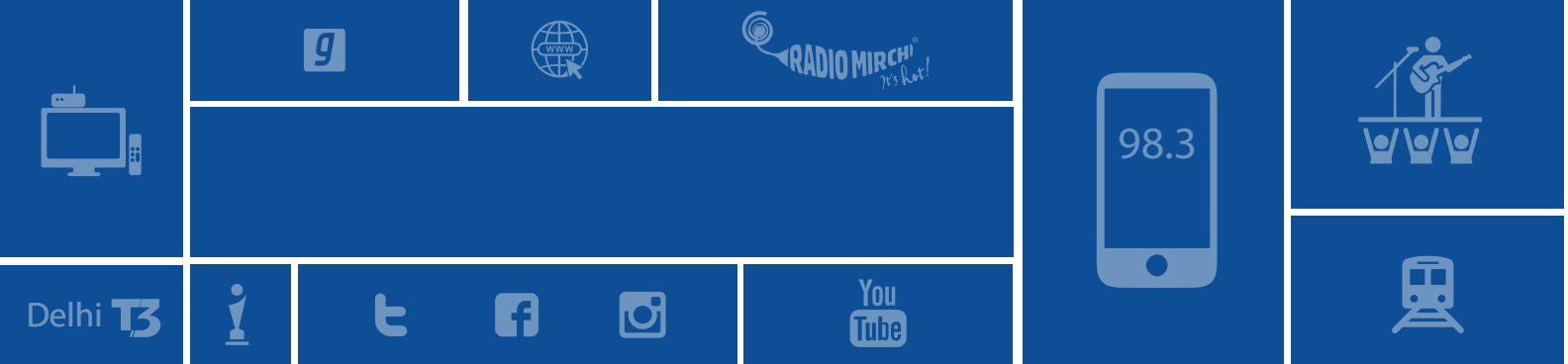


## Mr. Ravindra Kulkarni

(Independent Non- Executive Director)

Mr. Ravindra Kulkarni is one of the most experienced corporate lawyers in India with over 45 years of practice and has immense experience of all aspects of law. His practice areas range from mergers & acquisitions, joint ventures, licensing, technology transfers, securities laws, capital markets, both advisory and documentation work relating to domestic IPOs and GDR/ FCCB offerings of securities by Indian companies and project finance. Mr. Kulkarni is also very experienced in transactions involving restructuring, sick companies financial reconstruction, demergers, spin-offs, sales of assets etc. He has advised in several developers and utilities in government bids for development of independent power projects and other projects involving private public partnership.

He is a senior partner of M/s. Khaitan & Co., one of India's leading law firms and heads the Competition Law practice in Mumbai office. He is on the Boards of several listed companies as an independent director.



## Mr. Richard Saldanha

(Independent Non- Executive Director)

Mr. Saldanha, a graduate Mechanical Engineer, served Hindustan Lever & Unilever plc with distinction for 30 years. He spent almost 10 years in Latin America. Rose to be Chairman and CEO of Unilever Peru and a Member of the Unilever Latin America Board.

He returned to India as Managing Director of Haldia Petrochemicals Ltd., a \$1.5 Bn enterprise.

Later spent 5 years as Executive Director and Member of the Board of The Times of India Group to help build organizational capability, culture and competitiveness.

He then was 6 years with The Blackstone Group in India as Executive Director responsible for Operational Excellence in a range of Portfolio Companies.

He is currently Executive Chairman of Trans Maldivian Airways and Gokaldas Exports, and is on the Boards of a few of the Blackstone Portfolio Cos. He also is on the Board of BCCL and a few other Times of India Group Cos. and is a member of the Court of Governors of the Administrative Staff College of India.

Mr. Saldanha is actively involved with NGOs and CSR Initiatives.



## Mr. Prashant Panday

Managing Director & CEO

Mr. Prashant Panday is an Engineering graduate in Electronics & Communication and has done his PGDM from IIM Bangalore (1990).

Mr. Panday is the Managing Director and Chief Executive Officer of the Company. He has been associated with the Company since August 2000 and has played a key role in bringing in the radio revolution in India. Over the last 17 years, he has played a significant role in making Mirchi the #1 radio brand in the Country in terms of listenership. In 2008, Mirchi was rated the #1 media brand – ahead of The Times of India and Star Plus – in the IMRB- Pitch survey.

Mr. Panday has total experience of over 27 years in industries ranging from Advertising, Banking, FMCG & Media. Prior to joining the Company, he has worked with Citibank, Pepsi, HUL, Mudra and Modi Revlon. His areas of strength include Marketing & Sales, Analytics & Strategy and People Management. Mr. Panday is the Chairman of the FICCI Radio committee, the Sr. VP in the Association of Radio Operators of India (AROI), and a member of the CII Entertainment Committee. He also served as a member of the Ministry of I&B's committee on fighting piracy. He is a speaker at various industry forums.



# NOTICE



**NOTICE** is hereby given that the **EIGHTEENTH** Annual General Meeting (AGM) of the Members of **ENTERTAINMENT NETWORK (INDIA) LIMITED** will be held on **Wednesday, August 30, 2017** at **3.00 p.m.** at Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai: 400018, to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 and the Report of the Auditors thereon.
3. To declare dividend on equity shares.
4. To appoint a director in place of Mr. Prashant Panday (DIN: 02747925), who retires by rotation pursuant to the provisions of section 152 of the Companies Act, 2013 and who is not disqualified to become a director under the Companies Act, 2013 and being eligible, offers himself for reappointment.
5. **Ratification of appointment of auditors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** based on the recommendation of the Audit Committee and pursuant to the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members of the Company at the fifteenth Annual General Meeting (AGM) held on August 12, 2014; the appointment of S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number - 101049W/ E300004) as the auditors of the Company be and is hereby ratified to hold office from the conclusion of the fifteenth Annual General Meeting (AGM) till the conclusion of the sixth consecutive AGM (with the meeting wherein such appointment has been made being counted as the first meeting), at a remuneration as may be recommended by the Audit Committee

and fixed by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution."

## Special Business

6. **Ratification of remuneration payable to cost auditors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors, M/s. R. Nanabhoy & Co., Cost Accountants (Firm registration number-00010), appointed by the Board of Directors of the Company as recommended by the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2018, be paid the remuneration as set out in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to this Notice;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution."

7. **Issue of non-convertible debentures, bonds, debt securities, etc. on private placement basis**

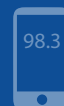
To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions of the Companies Act, 2013 and all applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time) (hereinafter referred to as 'the Act'), Securities and Exchange Board of India (Issue and Listing of Debt Securities)



## NOTICE

MIRCHI3



Regulations, 2008, including any amendment, modification, variation or re-enactment thereto and all other applicable provisions and subject to applicable regulations, rules and guidelines prescribed by the Securities and Exchange Board of India and all other regulatory authorities and as per the applicable provisions of the Articles of Association of the Company, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof), for making offer(s) or invitation(s) to subscribe to secured / unsecured redeemable non-convertible debentures including but not limited to senior debentures, subordinated debentures, bonds and / or other debt securities, etc. (hereinafter referred to as 'the Debt Securities') on private placement basis, in one or more tranches, during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Company approved by the Members of the Company from time to time;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine the terms of issue of the Debt Securities including the class of investors to whom the Debt Securities are to be issued, time, securities to be offered, number of the Debt Securities, tranches, issue price, tenure, interest rate, premium/ discount, listing, appointment of arranger, debenture trustee, credit rating agency, registrar & transfer agent; to resolve and settle all questions, difficulties that may arise without being required to seek any further consent or approval from the Members and the Members shall be deemed to have given their consent, approval thereto expressly by the authority of this resolution and to do / execute all such acts, deeds, matters and things for giving effect to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized, in its absolute discretion, to execute all such deeds, documents, undertakings, agreements, instruments, writings, etc. as may be required; to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution."

### Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, WHO NEED NOT BE A MEMBER, TO

ATTEND AND VOTE ON POLL ON BEHALF OF HIMSELF/ HERSELF. The instrument appointing the Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the Meeting. A proxy form for the Annual General Meeting (AGM) is enclosed.

A person can act as a proxy on behalf of the Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member. Proxies submitted on behalf of companies, societies, etc. must be supported by valid and effective resolution/ authority, as applicable.

- b) The Company's Registrar & Share Transfer Agents are Karvy Computershare Private Limited ('R & TA'), Unit: Entertainment Network (India) Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Phone: 040-67162222; Fax: 040-23001153; Toll Free no.: 1800-345-4001.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, August 24, 2017 to Wednesday, August 30, 2017, both days inclusive**, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for dividend on equity shares, if declared at the AGM.
- d) The Dividend, if declared at the AGM, would be paid/ dispatched on/ after August 31, 2017 and within thirty days from the date of declaration of dividend to those persons (or their mandates):
- whose names appear as beneficial owners as at the end of the business hours on August 23, 2017 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/ dematerialized mode; and
  - whose names appear as Members in the Register of Members of the Company as on



# NOTICE



August 23, 2017, after giving effect to valid share transfers in physical forms lodged with the Company/ R & TA, in respect of the shares held in physical mode.

In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/ permissible electronic mode of payment viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. The Company/ R & TA will not act on any direct request from the Members holding shares in dematerialized form for change/ deletion of such bank details. Such changes are to be intimated by the Members to their depository participants.

In respect of the Members holding shares in the physical form, the bank details obtained from the R & TA will be used for the purpose of distribution of dividend through various approved/ permissible electronic mode of payment. Any query related to dividend should be directed to R & TA.

- e) The relevant Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), setting out the material facts relating to the special business as set out in the Notice is annexed hereto.
- f) As per the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other relevant particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of the Annual Report. As per the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is made available for inspection at the Registered Office and Corporate Office of the Company during working hours for a period of 21 days before the date of AGM. Any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The Annual Report is available on the Company's website at: [www.enil.co.in](http://www.enil.co.in)
- g) As required under the Secretarial Standard - 2 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details

of in respect of the director seeking re-appointment at the AGM, *inter alia*, age, qualifications, experience, details of remuneration last drawn by such person, relationship with other directors and Key Managerial Personnel of the Company, the number of Meetings of the Board attended during the year and other directorships, membership/ chairmanship of the committees of other Boards, etc. are annexed to the Notice and form part of the Explanatory Statement. Brief resume of all the Directors of the Company has also been furnished separately in the Annual Report. The director has furnished the relevant consents, declarations, etc. for his reappointment.

- h) As per Sections 101, 136 and all other applicable provisions of the Act, read with the rules made under the Act, companies can serve/ send various reports, documents, communications, including but not limited to annual report comprising of the report of the board of directors, auditors' report, financial statements, notice of general meeting, etc. (hereinafter referred to as 'the Documents') to its members through electronic mode at their registered e-mail addresses.

Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their depository participants, in respect of electronic holdings.

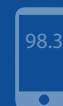
Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's Registrar & Share Transfer Agents- Karvy Computershare Private Limited ('R & TA') at: Unit: Entertainment Network (India) Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032. Phone: 040-67162222; Fax: 040-23001153; Toll Free no.: 1800-345-4001.

The Company believes in green initiative and is concerned about the environment. The Company has e-mailed the Documents in electronic mode at your e-mail address obtained from the depositories/ available with R & TA. Members who have not registered their e-mail addresses have been furnished hard copy of the Documents.

Members are requested to furnish/ update the details of their address, e-mail address, bank account details, relevant information for availing various approved/ permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer



# NOTICE



(NEFT), Real Time Gross Settlement (RTGS), etc.:

- i) to their depository participants in respect of their shareholdings in electronic (dematerialized) form;
- ii) to R & TA, in respect of their shareholdings in physical form, quoting their folio numbers.

Members are entitled to have, free of cost, a copy of the Documents upon placing a specific requisition addressed to R & TA.

- i) Pursuant to Section 108 of the Act, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and all other relevant rule made under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations], the Company is pleased to provide the facility to the Members to exercise their right to vote on the resolutions proposed to be considered at AGM by electronic means and the business may be transacted through such voting. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, August 23, 2017 are entitled to vote on the Resolutions set forth in this Notice. The cut-off date for the purpose of remote e-voting and voting at the AGM is August 23, 2017. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The Company has appointed Karvy Computershare Private Limited ('KCPL' / 'Karvy' / 'Service Provider' / 'R & TA') for facilitating remote e-voting.

Subject to the applicable provisions of the Act read with the rules made thereunder (as amended), the voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for the purpose of remote e-voting, being August 23, 2017. Members are eligible to cast vote only if they are holding shares as on August 23, 2017.

**The remote e-voting period will commence at 9.00 a.m. (IST) on Friday, August 25, 2017 and will end at 5.00 p.m. (IST) on Tuesday, August 29, 2017.** During this period, the Members of the Company (as on the cut-off date) holding shares in physical

form or in dematerialized form may cast their vote through remote e-voting. **The remote e-voting module shall be blocked/ disabled for voting thereafter.**

Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. The Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

The facility for voting, either through electronic voting system or ballot or polling paper, shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.

It is not mandatory for the Member to vote using the remote e-voting facility and the Member can exercise his vote at the AGM.

The Members are requested to refer to the detailed procedure on remote e-voting furnished separately to vote through electronic mode and same shall be available on the Company's website: [www.enil.co.in](http://www.enil.co.in). In case of any query pertaining to remote e-voting, please visit *Help* and *FAQ's* section of <https://evoting.karvy.com> (Karvy's website) or download *User Manual for Shareholders* available at the *Downloads* section of <https://evoting.karvy.com> or e-mail to [evoting@karvy.com](mailto:evoting@karvy.com) or contact Ms. C. Shobha Anand of Karvy, Contact No. 040-67162222; Fax: 040-23001153; Toll Free no.: 1800-345-4001. The Board of Directors of the Company has appointed Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No: F3477) - proprietor of M/s. Hemanshu Kapadia & Associates, failing him, Mr. Vipin Mehta, Practicing Company Secretary (Membership No: F8587) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- j) Annual Report including *inter alia* the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of this AGM, instructions for remote e-voting, attendance slip, proxy form, etc. is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/ R & TA/ depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant



# NOTICE



documents are being sent by the permitted mode.

- k) In case a person has become the Member of the Company after the dispatch of the AGM Notice but on or before the cut-off date i.e. **August 23, 2017**, he may write to R & TA on the email ID: **evoting@karvy.com** or to Ms. C. Shobha Anand of Karvy, Contact No. 040-67162222; Fax: 040-23001153; Toll Free no.: 1800-345-4001, at Karvy Computershare Private Limited [Unit: Entertainment Network (India) Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password.
- l) In terms of Section 72 of the Act read with the applicable rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner, a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination form can be obtained from the R & TA.
- m) Members/ Proxies should bring their copy of the Annual Report and Attendance Slip sent herein, duly filled in, for attending the Meeting.
- n) Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the relevant board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.
- o) In case of joint holders, the vote of only such joint holder who is higher in the order of names, whether in person or proxy, shall be accepted to the exclusion of the votes of other joint holders.
- p) Members desiring any information pertaining to the financial statements are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the AGM.
- q) Statutory registers and all other documents relevant to the business as stated in the Notice convening the AGM are open for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on any working day of the Company without payment of fee and will be available at the AGM.
- r) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with

the R & TA/ Company Secretary at the registered address. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund. Details of the unclaimed dividend amount is available on the Company website- [www.enil.co.in](http://www.enil.co.in) at the url: <http://www.enil.co.in/unclaimed-dividend.php>

- s) The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R & TA.
- t) Annual Report containing *inter alia* the Notice convening the Eighteenth Annual General Meeting, the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors, Report on Corporate Governance, Management Discussion & Analysis, etc. are available on the Company's website at: [www.enil.co.in](http://www.enil.co.in). Copies of the aforesaid documents are available for inspection at the Registered Office and Corporate Office of the Company during business hours on any working day of the Company.

**By Order of the Board of Directors**  
For **Entertainment Network (India) Limited**

sd/-

**Mehul Shah**

SVP – Compliance & Company Secretary  
FCS: 5839

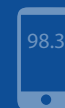
Pune, May 23, 2017

## Registered Office:

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.  
[www.enil.co.in](http://www.enil.co.in)



# NOTICE



## Statement as required under Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice dated May 23, 2017.

1. **Item No. 5:** The Members of the Company, at the fifteenth Annual General Meeting (AGM), approved the appointment of S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number - 101049W/ E300004) as the auditors of the Company to hold office from the conclusion of the fifteenth AGM till the conclusion of the sixth consecutive AGM (with the meeting wherein such appointment has been made being counted as the first meeting), at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit. The aforesaid appointment was subject to the ratification of the appointment by the Members of the Company at every AGM after the fifteenth AGM. Accordingly, consent of the Members is sought for passing the ordinary resolution as set out at Item No. 5 of the notice for ratification of the appointment of the auditors of the Company.
2. S. R. Batliboi & Associates LLP have given their consent for ratification of the aforesaid appointment as the Statutory Auditors of the Company. They have submitted a certificate in terms of the Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of the applicable provisions of the Companies Act, 2013, read with the applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force). They have also confirmed that they are not disqualified for appointment under the applicable provisions of the Companies Act, 2013.
3. In terms of the Rule 4(1)(d) of the Companies (Audit and Auditors) Rules, 2014, S. R. Batliboi & Associates LLP have confirmed that to the best of their knowledge, as on date there are no pending proceedings against them or any of their partner(s) with respect to professional matters of conduct, except for one item related to professional matters of conduct detailed as below:
  - a) There is one matter of professional misconduct in respect of a partner of the firm, where proceedings with the Disciplinary Committee of the Institute of Chartered Accountants of India are currently ongoing.
4. Relevant documents are available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on any working day of the Company without payment of fee and same shall also be available at the AGM.
5. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the notice. The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval of the Members.
6. **Item No. 6:** The Board of Directors, on recommendation of the Audit Committee and pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (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. R. Nanabhoy & Co., Cost Accountants (Firm registration number- 00010) 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. R. Nanabhoy & Co. 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. R. Nanabhoy & Co. shall be ₹4,50,000 (Rupees four lakhs fifty thousand only) plus out of pocket expenses and applicable taxes for the aforesaid audit. A Certificate issued by the above firm regarding their independence and eligibility for appointment as Cost Auditors and other relevant documents are available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on any working day of the Company without payment of fee and same shall also be available at the AGM.
7. In accordance with the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules 2014 and all other applicable rules, the remuneration payable to the Cost Auditors is required to be ratified subsequently by the shareholders. Accordingly, consent of the Members is sought for passing the ordinary resolution as set



# NOTICE



- out at Item No. 6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2018.
8. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the notice. The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the notice for approval of the Members.
  9. **Item No. 7:** To augment the long term resources for financing *inter alia* for expansion plans, general corporate purposes, capital expenditure, replacement of existing borrowings, feasible organic/ inorganic opportunities including mergers, acquisitions, arrangements, etc., the Company may require substantial funds.
  10. In terms of Section 42 and all other applicable provisions of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time) (hereinafter referred to as 'the Act'), a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company by a Special Resolution. In case of an offer or invitation to subscribe to non-convertible debentures on private placement, the Company can obtain previous approval of its shareholders by means of a special resolution once in a year for all the offers or invitations for such non-convertible debentures during the year.
  11. As stated earlier, to augment the long term resources for financing *inter alia* expansion plans, general corporate purposes, capital expenditure, replacement of existing borrowings, feasible organic/ inorganic opportunities including mergers, acquisitions, arrangements, etc., the Company may offer or invite subscription to secured / unsecured redeemable non-convertible debentures including but not limited to senior debentures, subordinated debentures, bonds and / or other debt securities, etc. (hereinafter referred to as 'the Debt Securities') on private placement basis, in one or more tranches.
  12. Accordingly, approval is being sought for an enabling Special Resolution as set out at Item No. 7 of the Notice to borrow funds by offer or invitation to subscribe to the Debt Securities within the overall

borrowing limits of the Company, as approved by the Members of the Company from time to time, with authority to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof) to determine the terms and conditions of issue of the Debt Securities as it may deem expedient in the prevailing market conditions, including the class of investors to whom the Debt Securities are to be issued, number of the Debt Securities, tranches, issue price of the Debt Securities, time, listing, interest rate, premium/ discount, tenure, repayment, securities to be offered or otherwise, appointment of arranger, debenture trustee, credit rating agency, registrar & transfer agent, etc. and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board, in its absolute discretion, deems fit, without being required to seek any further consent or approval of the Members.

13. Accordingly, the approval of the Members is being sought by way of a special resolution under Sections 42, 71 and all other applicable provisions of the Act and rules made thereunder as set out at Item No. 7 of the Notice.
14. This resolution would be valid for a period of one year from the date of passing this Resolution.
15. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the said Special Resolution at Item No. 7 of the Notice. The Board of Directors accordingly recommends the Special Resolution as set out at Item No. 7 of the accompanying Notice for the approval of the Members.

**By Order of the Board of Directors**  
For **Entertainment Network (India) Limited**

sd/-

**Mehul Shah**

SVP – Compliance & Company Secretary  
Pune, May 23, 2017 FCS: 5839

## Registered Office:

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.  
[www.enil.co.in](http://www.enil.co.in)



## Annexure to Item No. 4 of the Notice

(Details as required to be furnished under the Secretarial Standard-2 – para 1.2.5 and Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Brief resume of all the Directors of the Company (including their experience / expertise in specific functional areas) has been furnished separately in the Annual Report. None of the Directors are *inter - se* related with other directors or key managerial personnel.

| Name of the Director                                 | Mr. Prashant Panday                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                  | 02747925                                                                                                                                                                                                                                                                                                                                                                                                |
| Date of Birth and age                                | July 8, 1965 – 51 years                                                                                                                                                                                                                                                                                                                                                                                 |
| Qualifications                                       | Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and Degree of B.E. Electronics and Communication- Gujarat University                                                                                                                                                                                                                                                 |
| Nature of his expertise in specific functional areas | Mr. Panday has total experience of over 27 years in industries ranging from Advertising, Banking, FMCG & Media. Relevant details have been furnished separately in the Annual Report                                                                                                                                                                                                                    |
| Nationality                                          | Indian                                                                                                                                                                                                                                                                                                                                                                                                  |
| Terms and conditions of appointment / reappointment  | Reappointed as the Managing Director & CEO for a term of five years effective from July 1, 2016 at the 17 <sup>th</sup> AGM. His office shall liable to retire by rotation. In this AGM, he is proposed to be appointed as the Director liable to retire by rotation. Other details are stated at para 5 (c) of the Report on Corporate Governance.                                                     |
| Details of remuneration sought to be paid            | Since he is proposed to be appointed as Director liable to retire by rotation, there is no proposal to change the remuneration already approved at 17 <sup>th</sup> AGM. Details of remuneration were furnished at the Resolution No: 7 of the 17 <sup>th</sup> AGM notice and managerial remuneration for the financial year 2016-17 is furnished at para 5 (c) of the Report on Corporate Governance. |
| Details of remuneration last drawn                   | ₹ 334.46 lakhs (including post employment and other long term benefit obligation)                                                                                                                                                                                                                                                                                                                       |
| Date of first appointment on the Board               | July 1, 2010                                                                                                                                                                                                                                                                                                                                                                                            |
| Shareholding in the Company                          | 21900 equity shares of ₹ 10/- each                                                                                                                                                                                                                                                                                                                                                                      |
| Number of board meetings attended during the year    | 5                                                                                                                                                                                                                                                                                                                                                                                                       |
| List of Directorships held in other Companies        | Alternate Brand Solutions (India) Limited                                                                                                                                                                                                                                                                                                                                                               |
| Committee membership                                 | Entertainment Network (India) Limited: [Member of Corporate Social Responsibility Committee, Member of Stakeholders Relationship Committee]                                                                                                                                                                                                                                                             |



# NOTICE



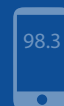
Route map to the venue of the AGM



# BOARD OF DIRECTORS' REPORT



MIRCHI3



Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited financial statements of Entertainment Network (India) Limited ['the Company'/ 'ENIL'/ 'Radio Mirchi'] for the financial year ended March 31, 2017.

The financial statements for the year ended March 31, 2017 are the first the Company has prepared under Indian Accounting Standards (Ind AS). The financial statements for the year ended March 31, 2016 have been restated in accordance with Ind AS for comparative information.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 49 to the financial statements.

## 1. Financial Highlights

₹ in lakhs

|                                                         | Standalone                |                           | Consolidated              |                           |
|---------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                         | Financial Year<br>2016-17 | Financial Year<br>2015-16 | Financial Year<br>2016-17 | Financial Year<br>2015-16 |
| Total Income                                            | 57,611.13                 | 54,286.03                 | 57,680.10                 | 54,354.01                 |
| Profit before taxation                                  | 7,831.22                  | 15,662.03                 | 7,896.17                  | 15,727.66                 |
| Tax expense                                             | 2,383.82                  | 4,869.50                  | 2,379.21                  | 4,875.41                  |
| Profit after taxation                                   | 5,447.40                  | 10,792.53                 | 5,516.96                  | 10,852.25                 |
| Other comprehensive income net of tax                   | (48.76)                   | 20.13                     | (48.76)                   | 20.13                     |
| Total Comprehensive Income                              | 5,398.64                  | 10,812.66                 | 5,468.20                  | 10,872.38                 |
| Profit brought forward                                  | 57,022.53                 | 46,783.62                 | 57,225.19                 | 46,926.56                 |
| Authorised Capital                                      | 12,000.00                 | 12,000.00                 | 12,000.00                 | 12,000.00                 |
| Equity (issued, subscribed & paid up share capital)     | 4,767.04                  | 4,767.04                  | 4,767.04                  | 4,767.04                  |
| Transfer to General Reserve                             | Nil                       | Nil                       | Nil                       | Nil                       |
| Adjustments due to change in rates of Depreciation      | Nil                       | Nil                       | Nil                       | Nil                       |
| Proposed dividend (including dividend distribution tax) | 573.75                    | 573.75                    | 573.75                    | 573.75                    |
| Surplus carried to Balance Sheet                        | 61,847.42                 | 57,022.53                 | 62,119.63                 | 57,225.19                 |

## 2. Financial Performance, Operations and state of the Company's affairs

Your Company took advantage of the Batch-1 auctions under Phase-3 policy and grew its business strongly during FY17. Total income of the Company increased from ₹ 54,286.03 lakhs during the previous year to ₹ 57,611.13 lakhs during the year under review. Profit after tax was ₹ 5,447.40 lakhs.

On a consolidated basis, total income of the Company increased from ₹ 54,354.01 lakhs during the previous year to ₹ 57,680.10 lakhs during the year under review. Profit after tax was ₹ 5,516.96 lakhs.

The financial performance is discussed in more detail in the Management Discussion and Analysis Report which forms part of the Annual Report.

The biggest event of FY17 was the Government of



## BOARD OF DIRECTORS' REPORT



India's DeMonetization initiative. The immediate impact of the program on the media industry was negative, and the impact was felt in both Q3 and Q4 of FY17. Your Company also took a hit in both quarters. However, because of its multi-product strategy (products other than core radio), your Company was able to avoid any de-growth in revenues in the months of November 2016 to March 2017. While core radio de-grew marginally, the other businesses including Activations, Concerts, TV properties, Multi-media solutions and Digital together provided growth during this period.

Your Company has been adding new products to its sales portfolio every few years. Concerts is one such product. While concerts as a business was launched in a small way a few years back, it got a big thrust in FY17, with the business reporting 100%+ growth. Your Company regards concerts as a major growth area for the future.

In September 2015, your Company had executed a Business Transfer Agreement ('BTA') with TV Today Network Limited ('TVTN') to purchase TVTN's four radio stations in Amritsar, Jodhpur, Patiala and Shimla. Your Company has now been operating these stations for more than one full year. It is extremely heartening to note that the four stations have reported a strong growth in revenues in FY17, resulting in an EBITDA margin of 20%. In H2 of FY16 (the first half of our acquisition), we had reported an EBITDA loss of 44.7%. This successful assimilation of the acquired stations gives us confidence in our ability to pursue more acquisition targets in the future.

In August 2016, the Company entered into an Advertising Sales Agreement (ASA) with TVTN in relation to TVTN's remaining three radio stations at New Delhi, Mumbai and Kolkata. Pursuant to the ASA, TVTN has agreed to appoint ENIL as an agent of TVTN with effect from September 1, 2016 to facilitate the sale of TVTN's airtime to third-parties who wish to advertise using TVTN's airtime.

The Company participated in the 2<sup>nd</sup> batch of Phase-3 auctions held between October 26, 2016 and December 14, 2016.

After this batch of auctions, the Company acquired licenses in 21 new cities. These are Bhavnagar, Jamnagar, Junagadh, Mehsana, Bharuch and Palanpur in Gujarat, Akola and Amravati in Maharashtra, Tiruchirapalli and Tirunelveli in Tamil Nadu, Rajahmundry in Andhra Pradesh, Warangal in

Telangana, Durg/Bhilai and Raigarh in Chhatisgarh, Hubli/Dharwad and Mysuru in Karnataka, Ujjain in Madhya Pradesh, Jhansi in Uttar Pradesh, Asansol and Siliguri in West Bengal and the Union Territory of Puducherry. With these 21 cities, the core Mirchi brand will expand its footprint deeper into strategically important and fast growing cities and states. Its presence will increase from 43 to 64 cities in India. However, since your Company has decided to surrender the Goa license, the total number of cities will become 63.

The total value of bids made by ENIL is ₹ 51.3 crores. These frequencies are expected to become operational towards the end of FY18.

The Scheme of Amalgamation and Arrangement ('Scheme') of Times Infotainment Media Limited ['TIML'], the holding company of the Company with Bennett, Coleman & Company Limited ('BCCL'), the holding Company of TIML was filed under the Companies Act, 1956. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated July 3, 2015 ('Order'). The Hon'ble Bombay High Court's approval was however subject to the approval of the Ministry of Information & Broadcasting, Government of India ('MIB').

The MIB, vide its letter dated April 25, 2016 (received by the Company on April 26, 2016), accorded its approval to the change in ownership pattern of the Company under the Scheme. Consequently, TIML's entire shareholding in the Company was transferred to BCCL, and BCCL is the sole promoter shareholder of the Company.

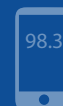
In January 2017; the Company issued Unsecured Commercial Papers (CPs). The amount raised through issuance of CPs was ₹ 121.8 crores. The CPs have a tenor of 364 days and will mature in January 2018. The maturity value of CPs is ₹ 130 crores. The effective yield of the CPs is 6.75% per annum. Proceeds from the CPs were used to finance the Company's business needs.

In March 2017; the Company fully repaid the Unsecured Commercial Papers (CPs) with maturity value of ₹ 270 crores issued to BNP Paribas in March 2016.

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of this Report.



# BOARD OF DIRECTORS' REPORT



### 3. Transfer to reserves

The Company does not propose to transfer any amount to General Reserve out of the amount available for appropriations.

### 4. Dividend

Your Directors are pleased to recommend a dividend @10% i.e. ₹ 1.00 (Rupee one only) per equity share of ₹ 10/- each for the financial year ended March 31, 2017, aggregating ₹ 573.75 lakhs including dividend distribution tax of ₹ 97.05 lakhs. The dividend payment is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM).

The dividend, if declared at the AGM, would be paid/ dispatched within thirty days from the date of declaration of dividend to those persons or their mandates:

- whose names appear as beneficial owners as at the end of the business hours on August 23, 2017 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/ dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on August 23, 2017 after giving effect to valid share transfers in physical forms lodged with the Company/ Registrar & Share Transfer Agents, in respect of the shares held in physical mode.

### 5. Deposits from public

The Company has not accepted any deposits from public and therefore the details relating to the deposits covered under Chapter V of the Companies Act, 2013 are not required to be furnished.

### 6. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 read with the applicable rules thereto, including any statutory modification(s) or re-enactment thereof for the time being in force ('the Act'), Mr. Prashant Panday (DIN: 02747925) retires by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

Mr. B. S. Nagesh (DIN: 00027595) resigned from the Board of Directors of the Company effective

from the close of the business hours on November 8, 2016 due to personal commitments and other pre-occupations. The Board of Directors places on record their appreciation for the valuable contributions made by Mr. Nagesh.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['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 fulfill 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.

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 Listing Regulations and Secretarial Standards has been furnished separately in the Notice convening the AGM read with the Annexure thereto forming part of this Report.

None of the Directors are related with each other or key managerial personnel (*inter-se*).

Details of the number of meetings of the Board of Directors and Committees and attendance at the meetings have been furnished in the *Report on Corporate Governance*.

Following persons are designated as the Key Managerial Personnel (KMP):

- Mr. Prashant Panday: Managing Director & CEO
- Mr. N. Subramanian: Group CFO
- Mr. Mehul Shah: SVP Compliance & Company Secretary

### 7. Board Evaluation

The Board of Directors is committed to continued improvement in its effectiveness. Accordingly,



# BOARD OF DIRECTORS' REPORT



the Board participated in the annual formal evaluation of its performance. This was designed to ensure, amongst other things, that the Board, its Committees and each director continue to contribute effectively.

The Board and its Committees evaluations involved questionnaire-driven discussions that covered a number of key areas / evaluation criteria including the roles and responsibilities, size and composition of the Board and its Committees, dynamics of the Board and its Committees and the relationship between the Board and management. The results of the reviews were discussed with the relevant Committees and collectively by the Board as a whole. Feedback was also sought on the contributions of individual directors. Independent directors, at their Meeting led by the Chairman of the Nomination & Remuneration Committee, conducted the performance review of the Chairman, Non-Independent Directors and the Board as a whole in respect of the financial year under review.

Formal Annual Evaluation was made in compliance with all the applicable provisions of the Act and the Listing Regulations. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## 8. Board Familiarization Program

At the time of appointment of a new director, through the induction process, he/ she is familiarized with the Company, director's roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board and its Committee meetings covering various areas including business strategy, branding, programming, financial performance and forecast, compliances/ regulatory updates, audit reports, risk assessment and mitigation, etc. The details of the familiarization program are available on the Company's website at: [www.enil.co.in](http://www.enil.co.in) at web link: <http://www.enil.co.in/policies-code-of-conduct.php>

## 9. Policy on directors' appointment and remuneration

The Company's Policy on the Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters as provided under Section 178 of the Act is titled as Nomination &

Remuneration Policy and appended as *Annexure A* to this Report.

## 10. Audit Committee

The Audit Committee of the Company presently comprises of the following Directors as on the date of this Report:

- Mr. N. Kumar – Chairman (Independent Non-Executive Director)
- Mr. Ravindra Kulkarni (Independent Non-Executive Director)
- Mr. Richard Saldanha (Independent Non-Executive Director)

The Internal Auditors of the Company report directly to the Audit Committee. All the recommendations of the Audit Committee were accepted by the Board of Directors. Brief description of terms of reference and other relevant details of the Audit Committee have been furnished in the *Report on Corporate Governance*.

## 11. Vigil Mechanism

The Company has a 'Whistle Blower Policy' / 'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, directors, customers, vendors, contractors and other stakeholders of /in the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee. The Policy contains the provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

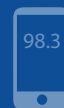
Whistle Blower Policy/ Vigil Mechanism is available on the Company's website at: [www.enil.co.in](http://www.enil.co.in) at <http://www.enil.co.in/policies-code-of-conduct.php>

## 12. CSR Committee

The constitution, composition, quorum requirements, terms of reference, role, powers, rights, obligations of 'Corporate Social Responsibility Committee [CSR Committee]' are in



# BOARD OF DIRECTORS' REPORT



conformity with the provisions of Section 135 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment or amendments thereof).

The CSR Committee of the Company presently comprises of the following Directors as on the date of this Report:

- Mr. Vineet Jain (Non- Executive Director)
- Mr. Ravindra Kulkarni (Independent Non- Executive Director)
- Mr. Prashant Panday (Managing Director & CEO)

Mr. B. S. Nagesh – member of the Committee resigned effective from the close of the business hours on November 8, 2016.

During the financial year under review, the Committee met four times, i.e. on May 19, 2016; August 2, 2016; November 8, 2016 and February 13, 2017.

#### Brief description of terms of reference of the Committee *inter alia* includes:

- To formulate and recommend to the Board of Directors (Board), a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To approve CSR activities;
- To recommend to the Board the amount of expenditure to be incurred on the CSR activities;
- To monitor the CSR Policy of the Company from time to time;
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- To carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/regulatory authorities.

#### CSR Policy development and implementation:

The CSR Policy is available on the Company's website at [www.enil.co.in/policies-code-of-conduct.php](http://www.enil.co.in/policies-code-of-conduct.php)

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility

Policy) Rules, 2014 has been appended as *Annexure B* to this Report.

### 13. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company presently comprises of the following Directors as on the date of this Report:

- Mr. N. Kumar – Chairman (Independent Non- Executive Director)
- Mr. Ravindra Kulkarni (Independent Non- Executive Director)
- Mr. Richard Saldanha (Independent Non- Executive Director)
- Mr. Vineet Jain (Non- Executive Director)

Brief description of terms of reference and other relevant details of the Nomination and Remuneration Committee have been furnished in the *Report on Corporate Governance*.

### 14. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company presently comprises of the following Directors as on the date of this Report:

- Mr. Richard Saldanha – Chairman (Independent Non- Executive Director)
- Mr. Ravindra Kulkarni (Independent Non- Executive Director)
- Mr. Prashant Panday (Managing Director & CEO)

Brief description of terms of reference and other relevant details of the Stakeholders Relationship Committee have been furnished in the *Report on Corporate Governance*.

### 15. Audit Report

The Audit Report does not contain any qualification, reservation or adverse remark.

### 16. Auditors

At the fifteenth AGM held on August 12, 2014, the Members had approved the appointment of S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number - 101049W/E300004) as the statutory auditors of the Company to hold the office from the conclusion of the fifteenth AGM till the conclusion of the sixth consecutive AGM commencing from the AGM wherein such appointment was made. As per the provisions of Section 139 of the Act, the Company shall



# BOARD OF DIRECTORS' REPORT



place the matter relating to such appointment for ratification by members at every AGM. Accordingly, the appointment of S. R. Batliboi & Associates LLP, Chartered Accountants, as the statutory auditors of the Company is placed for ratification by the members of the Company.

S. R. Batliboi & Associates LLP have furnished a certificate in terms of the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of Section 141 and all other applicable provisions of the Act, read with the applicable rules thereto.

Other relevant information has been furnished at Item No. 5 of the Notice convening the AGM.

## 17. Secretarial Auditor and report

The Board of Directors had appointed M/s. Hemanshu Kapadia & Associates, Company Secretaries (C. P. No: 2285), to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is appended as *Annexure C* to this Report.

The Secretarial Audit Report dated May 4, 2017 does not contain any qualification or adverse remark or observation.

## 18. Cost Auditor and report

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. R. Nanabhoy & Co., Cost Accountants (Firm registration number-00010) 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. R. Nanabhoy & Co. 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. R. Nanabhoy & Co. shall be ₹ 4,50,000 (Rupees four lakhs fifty 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. 6 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 29, 2016. The Cost Audit Report for the financial year 2016-17 will be filed on/ before the due date.

## 19. Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo

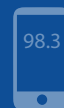
The Company is in the business of Private FM Radio Broadcasting. Hence, most of the information required to be provided relating to the Conservation of energy and Technology absorption is not applicable.

However the information, as applicable, is given hereunder:

- i) Conservation of energy:  
The operations of the Company are not energy intensive. Nevertheless, continuous efforts such as installation of energy efficient electronic devices, implementation of SOPs etc. aimed at reducing energy consumption are being made by the Company and its employees to reduce the wastage of scarce energy resources.
- ii) Technology absorption:
  - The efforts made towards technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution:
    - » A lot of new features were added to the Customer Relationship Management (CRM) solution to improve sales efficiency and bring in greater control.
    - » ENIL has adopted efficient use of software and networking facilities to re-use content efficiently and ensure good return on investments.
  - Imported technology (imported during last three years reckoned from the beginning of the financial year): Nil
  - The expenditure incurred on Research & Development (R & D): Foray in the Digital Space:



# BOARD OF DIRECTORS' REPORT



Mirchi continues to grow its online radio reach. We now stream 19 online radio stations in partnership with Gaana and the listenership across our online stations has grown to over 3 million listeners a month. We added 5 new stations this year - Mirchi Top 20, International Hitz, Rabindra Sangeet, Mirchi Mehfil and Campus Radio. One key development for the online radio streaming business has been the launch of a radio station sponsored by a Brand – Campus Radio. This sponsorship model offers a better monetization opportunity than a traditional audio/ banner advertisement model.

Radio Mirchi's digital presence extends beyond online radio to social media and website, and it has the biggest digital footprint compared to all other competitors. We streamed almost 200 million video views on our YouTube channels in FY2017. Radio Mirchi has the biggest social media presence with a fan base of over 4.3 million across Facebook, and 3.3 lakhs across Twitter. The website continues to be the #1 radio website in India.

Our digital innovations got a lot of recognition this year - we won a Gold and Silver at the DIGIXX digital awards for innovation in digital marketing and user interface design; and Campus Radio got shortlisted at Abby Awards for marketing innovation.

- iii) Foreign exchange earnings and outgo: The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

₹ in lakhs

|                           | Financial Year<br>2016-2017 | Financial Year<br>2015-2016 |
|---------------------------|-----------------------------|-----------------------------|
| Foreign exchange earnings | 698.20                      | 566.85                      |
| Foreign exchange outgo    | 953.47                      | 648.32                      |

## 20. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act

read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as *Annexure D* to this Report.

The Managing Director of the Company does not receive any remuneration or commission from the Company's holding or subsidiary company.

As per the provisions of Section 197 of the Act read with the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other relevant particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of the Annual Report. As per the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is made available for inspection at the Registered Office and Corporate Office of the Company during working hours for a period of 21 days before the date of AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The Annual Report is available on the Company's website at: [www.enil.co.in](http://www.enil.co.in)

## 21. Extract of Annual Return

Extract of Annual Return of the Company as required under Section 92 of the Act is attached as *Annexure E* to this Report in the Form MGT 9.

## 22. Share Capital & Listing of Securities

During the financial year under review, the Company has not issued:

- any equity shares with differential rights as to dividend, voting or otherwise;
- any shares to its employees under the Employees Stock Option Scheme;
- any Sweat Equity Shares.

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) since February 15, 2006. Annual Listing Fee has been paid to each exchange. As required under the Listing Regulations, the Company has executed the Uniform Listing Agreement with BSE and NSE.

## 23. Management Discussion and Analysis Report

*Management Discussion and Analysis Report for*



# BOARD OF DIRECTORS' REPORT



the financial year under review as stipulated under Regulation 34 of the Listing Regulations is set out in a separate section forming part of this Report.

## 24. Business Responsibility Report

As per the amendment in the Regulation 34 of the Listing Regulations notified on December 22, 2015, mandatory reporting of Business Responsibility Report in the Annual Report is now applicable to the top five hundred listed entities based on market capitalization (earlier the mandatory reporting applied only to the top hundred listed entities based on market capitalization). Accordingly, the Company has published a separate Business Responsibility Report ('BRR') for the financial year under review as stipulated under Regulation 34 of the Listing Regulations. BRR is in line with the key principles stated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' framed by the Ministry of Corporate Affairs and is attached as *Annexure F* to this Report.

## 25. Corporate Governance

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated under the Listing Regulations. A separate *report on Corporate Governance* is enclosed as a part of this Report along with the Certificate from the Practicing Company Secretary.

## 26. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 of the Act, the Directors hereby confirm that:

- in the preparation of the annual accounts for the financial year ended on March 31, 2017, the applicable accounting standards have been followed and that there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2017 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 27. Contracts and arrangements with related parties

All contracts / arrangements / transactions entered into by the Company during the financial year under review with related parties were in the ordinary course of business and on an arm's length basis.

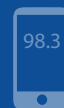
Bennett, Coleman & Company Limited ('BCCL') is the holding company and a related party under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations. As on date, BCCL holds 33918400 equity shares in the Company (i.e. 71.15% of the paid up capital of the Company).

Pursuant to the provisions of Section 188 of the Act, read with the Companies (Meeting of Board and its Powers) Rules, 2014, related party transactions beyond the prescribed threshold limit require prior approval of the company by a resolution. However, if the proposed transactions with the related parties are at arm's length and in its ordinary course of business, the said approval of the company is not required. Further, in terms of Regulation 23 of the Listing Regulations, transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

In order to achieve efficiencies in Ad sales, business synergies, economics of scale and also to optimize costs, the Company and BCCL have entered into various contracts/ arrangements/ transactions relating to the transfer and / or availing of resources, services or obligations in the past and propose to continue with such contracts/ arrangements/



# BOARD OF DIRECTORS' REPORT



transactions in the future too.

In compliance with Regulation 23 of the Listing Regulations, during the financial year under review, the Company sought the approval from the Members of the Company by way of Postal Ballot for the contracts/ arrangements/ transactions entered into and/ or to be entered into with Bennett, Coleman & Company Limited ('BCCL'), the holding company, relating to the transfer and / or availing of resources, services or obligations for the Financial Year 2016-2017 and subsequent financial years exceeding ten percent but not exceeding twenty five percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company relevant for the respective financial years.

Details of the *Material Related Party Transactions*, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, entered during the year by the Company, as required under Section 134(3) (h) of the Act (in the Form AOC 2) is attached as *Annexure G* to this Report.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at: [www.enil.co.in](http://www.enil.co.in) at <http://www.enil.co.in/policies-code-of-conduct.php>

The related party transactions are entered into based on business exigencies such as synergy in operations, profitability, market share enhancement etc. and are intended to further the Company's interests. In accordance with the applicable accounting standards, transactions with related parties are furnished in the financial statements.

## 28. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy as required under the Regulation 43A of the Listing Regulations. The said Policy is appended as *Annexure H* to this Report and also uploaded on the Company's website at [www.enil.co.in](http://www.enil.co.in).

## 29. Particulars of loans given, investment made, guarantees given and securities provided

The Company has not given any loans, guarantees or provided any securities under Section 186 of the Act. Particulars of investments made by the Company during the financial year 2016-17 are provided in the financial statements. Please refer to

the Note no. 7 and 11 to the standalone financial statements for details of investments made by the Company.

## 30. Risk Management

The Board of Directors is entrusted with various key functions including framing, implementing and monitoring the risk management plan for the Company; ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the laws and relevant standards.

The Board of Directors has adopted the Risk Management Policy coupled with the *Enterprise Risk Management* framework and also established related procedures to inform Board Members about the risk assessment and minimization procedures. Major risks are identified, adequately mitigated continuously and the same are reported to the Audit Committee and Board of Directors along with the *action taken report*. Risk Management Policy envisages assessment of strategic risks, operational risks, financial risks, regulatory risks, human resource risks, technological risks.

Risk Management Policy adopted by the Company involves identification and prioritization of risk events, categorization of risks into High, Medium and Low based on the business impact and likelihood of occurrence of risks and Risk Mitigation & Control.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's Risk Management policies, systems and procedures. Internal Audit is carried out by KPMG - the independent Internal Auditors. Internal Audit covers all the radio stations at pan India level and corporate office as per the annual audit plan approved by the Audit Committee. Internal Audit report is presented to the Audit Committee on regular basis and the Chairman of the Audit Committee briefs the Board of Directors about the same.

## 31. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial



# BOARD OF DIRECTORS' REPORT



statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

## 32. Consolidated Financial Statements

In accordance with the Companies Act, 2013 and applicable accounting standard, the audited Consolidated Financial Statements are provided and form part of the Annual Report.

## 33. Subsidiary Company

Alternate Brand Solutions (India) Limited (ABSL) is the Company's wholly owned subsidiary since 2007. ABSL recorded a total income of ₹ 68.98 lakhs during the financial year 2016-17. Profit after Tax stood at ₹ 69.55 lakhs for the financial year under review.

As per Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the Subsidiary Company are attached along with the financial statements in the prescribed Form AOC-1. The Company does not have any associate company or joint venture. There has been no change in the nature of the business of the subsidiary.

The Company shall make available the financial statements and the related detailed information of its subsidiary to any Member of the Company or its subsidiary who may be interested in obtaining the same at any point of time and same is also available on the website: [www.enil.co.in](http://www.enil.co.in). These documents will also be available for inspection during business hours at the Registered Office and Corporate Office of the Company. The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Company.

The audited financial statements, including consolidated financial statements and all other relevant documents required to be attached thereto are available on the Company's website: [www.enil.co.in](http://www.enil.co.in)

The Policy for determining material subsidiaries is available on the Company's website:

[www.enil.co.in](http://www.enil.co.in) at <http://www.enil.co.in/policies-code-of-conduct.php>

## 34. Significant or material order

During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## 35. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. During the financial year under review, no complaint pertaining to sexual harassment was reported to the Internal Complaints Committee of the Company.

## 36. Acknowledgments

Your Directors take this opportunity to convey their appreciation to all the members, listeners, advertisers, media agencies, dealers, suppliers, bankers, regulatory and government authorities and all other business associates for their continued support and confidence in the management of the Company. Your Directors are pleased to place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, solidarity and co-operation and acknowledge that their efforts have enabled the Company to achieve new heights of success.

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

sd/-

**Vineet Jain**

Chairman

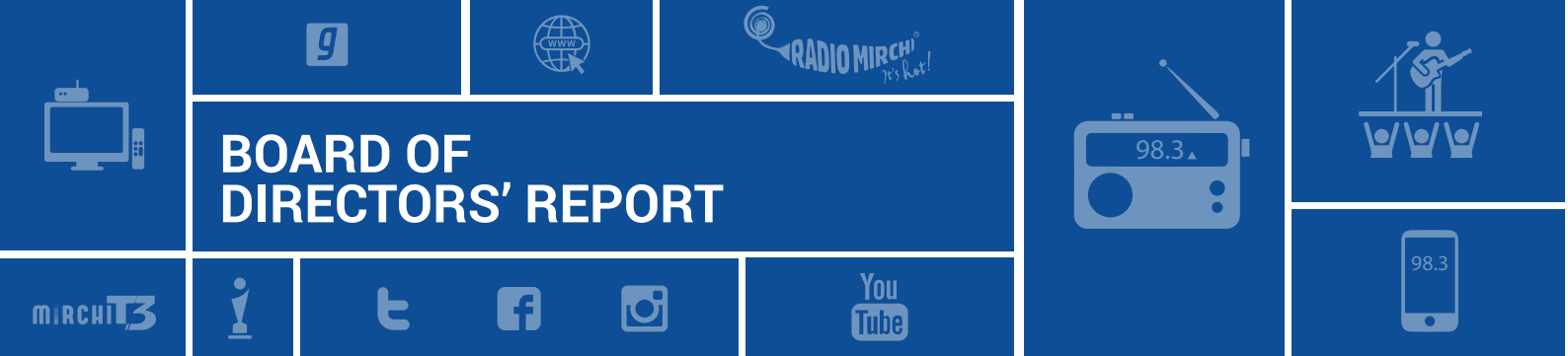
(DIN: 00003962)

Pune, May 23, 2017

## Registered Office:

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.

[www.enil.co.in](http://www.enil.co.in)



## Annexure A to the Directors' Report

### Nomination & Remuneration Policy:

#### Introduction:

The Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees was formulated, approved and adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee ('Committee'). The features of the Policy are as under:

#### 1. Appointment / Nomination criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, background, standing in the profession, positive attributes, expertise and experience of the person for appointment as a director and will conduct evaluation of candidates in accordance with a process that it sees fit and appropriate and recommend to the Board his / her appointment.
- b) A person should possess relevant qualification, expertise and experience for the position he / she is considered for appointment as a director. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as whole-time director or managing director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Members by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) In addition to the above, the Independent Director shall fulfil all the criteria of independence as laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']. The Independent Director shall adhere to the Schedule IV ['Code for Independent Directors'] of the Companies

Act, 2013. Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Regulations.

#### 2. Performance evaluation criteria

Performance evaluation of every director, KMP, Senior Management Personnel and other employees shall be carried out based on detailed performance parameters. Usefulness and relevance of such performance parameters shall be evaluated on regular basis. The performance parameters / criteria includes but not limited to the following:

- Integrity
- Qualifications, academic profile, experience and expertise
- Responsibilities
- Inquiring attitude, objectivity and independence
- Judgment
- Leadership qualities
- Professional and business standing
- Ability to take constructive stands when necessary
- Understanding of the Company's business and engagement level
- Understanding and commitment to duties and responsibilities
- Willingness to devote the time needed to prepare for and participate in deliberations
- Responsiveness (timeliness and quality)
- Approach to conflict, and whether the conflict is constructive and productive
- Achievement of set targets/ Key Result Areas (KRAs) (for KMP, Senior Management



# BOARD OF DIRECTORS' REPORT



Personnel and other employees)

### 3. Remuneration Policy

The Company has adopted the Remuneration Policy for its directors, KMP and other employees keeping in view the following guidelines:

- The Remuneration Policy followed by the Company rewards employees based on the aforesaid performance evaluation criteria. Through this Policy, the Company endeavors to attract, retain, develop and motivate its highly skilled and dedicated workforce. The Company follows a compensation mix of fixed pay and performance based pay.
- The Remuneration Policy shall be simple, open and transparent.
- The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance shall be clear and meets appropriate performance benchmarks.
- Remuneration to directors, KMP and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 4. Remuneration to Managing Director, Whole-time/ Executive Director(s), KMP, Senior Management Personnel and other employees

#### » Remuneration:

The Company follows a remuneration/ compensation mix of fixed pay and performance based pay. The Managing Director, Whole-time / Executive Director(s), KMP and Senior Management Personnel shall be eligible for a monthly remuneration, allowances, performance bonus/ incentive, profit based remuneration, etc. as may be

approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, if and to the extent required. Payment of managerial remuneration shall be pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013.

Remuneration payable to other employees shall be based on the performance evaluation criteria set out above.

### 5. Remuneration to Non- Executive / Independent Director

#### » Remuneration:

Non- Executive / Independent Directors may be paid managerial remuneration (including remuneration as a percentage to the net profits) pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013.

#### » Sitting Fees:

The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof and in line with the applicable provisions of the Companies Act, 2013.

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

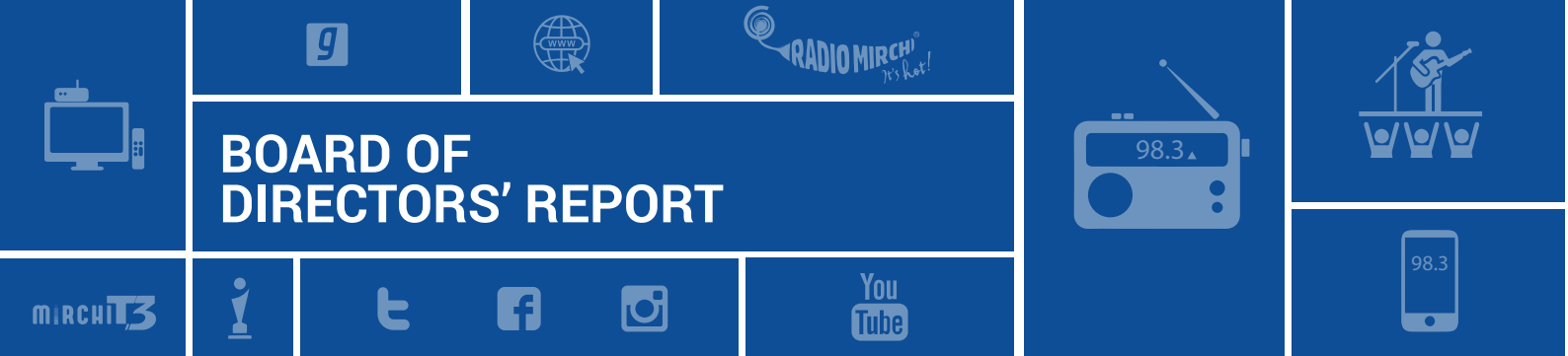
sd/-

**Vineet Jain**

Chairman

(DIN: 00003962)

Pune, May 23, 2017



## Annexure B to the Directors' Report

### 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)

**1. A brief outline of the company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken:**

Entertainment Network (India) Limited ['ENIL/ 'the Company'] considers CSR as its commitment to its stakeholders, including the society at large, to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. ENIL is committed to undertake CSR activities in accordance with the provisions of Section 135 and all other applicable provisions of the Companies Act, 2013 read with all the rules thereto, as amended from time to time ('the Act').

The Company's CSR Policy aims to develop and implement a long-term vision and strategy for ENIL's CSR initiatives including formulating relevant potential CSR activities, their timely and expeditious implementation and establishing an overview mechanism of the activities undertaken / to be undertaken, in synchronization with the various

eligible activities prescribed under Schedule VII of the Act.

The CSR Policy is available on the Company's website at: [www.enil.co.in](http://www.enil.co.in) at <http://www.enil.co.in/policies-code-of-conduct.php>

**2. The Composition of the CSR Committee:** The CSR Committee presently comprises of Mr. Vineet Jain, Mr. Ravindra Kulkarni and Mr. Prashant Panday.

**3. Average net profit of the company for last three financial years : ₹ 11,652.62 lakhs**

**4. Prescribed CSR Expenditure** (two per cent of the amount as in item 3 above): ₹ 233.05 lakhs

**5. Details of CSR spent during the financial year :**

- Total amount to be spent for the financial year under review: ₹ 233.05 lakhs
- Amount unspent, if any: nil.
- Manner in which the amount spent during the financial year under review:

₹ in lakhs

| 1       | 2                                                                                                             | 3                                                                                              | 4                                                                                                                             | 5                                               | 6                                                                                                         | 7                                                | 8                                                      |
|---------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|
| Sl. No. | CSR project or activity identified                                                                            | Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013) | Projects or programs<br>1) Local area or other<br>2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>1) Direct Expenditure on projects or programs<br>2) Overhead* | Cumulative Expenditure upto the reporting period | Amount spent : Direct or through implementing agency * |
| 1       | Employment enhancing vocational skills of the under privileged children                                       | Clause No. ii                                                                                  | Chennai                                                                                                                       | 20.00                                           | 20.00                                                                                                     | 20.00                                            | NalandaWay Foundation (Charitable Trust)               |
| 2       | Education and employment enhancing vocational skills for under privileged students and aid in disaster relief | Clause No. i, ii                                                                               | Chennai                                                                                                                       | 20.00                                           | 20.00                                                                                                     | 20.00                                            | AR Rahman Foundation (Charitable Trust)                |



# BOARD OF DIRECTORS' REPORT



| 1            | 2                                        | 3             | 4         | 5             | 6             | 7             | 8                                                                         |
|--------------|------------------------------------------|---------------|-----------|---------------|---------------|---------------|---------------------------------------------------------------------------|
| 3            | Welfare for the blind children/ students | Clause No. ii | New Delhi | 23.50         | 23.50         | 23.50         | National Association for the Blind (Charitable Trust)                     |
| 4            | Employment enhancing vocational skills   | Clause No. ii | New Delhi | 169.55        | 169.55        | 169.55        | Times Foundation for Social Justice Benefit & Welfare (Section 8 Company) |
| <b>TOTAL</b> |                                          |               |           | <b>233.05</b> | <b>233.05</b> | <b>233.05</b> |                                                                           |

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

## 6. Reasons for not spending the prescribed amount:

As mentioned earlier, the amount required to be contributed for CSR initiatives is ₹ 233.05 lakhs. The Company has contributed ₹ 233.05 lakhs towards CSR activities.

compliance with CSR Objectives and Policy of the Company.

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

sd/-

sd/-

**Prashant Panday**

**Vineet Jain**

Managing Director & CEO

Chairman

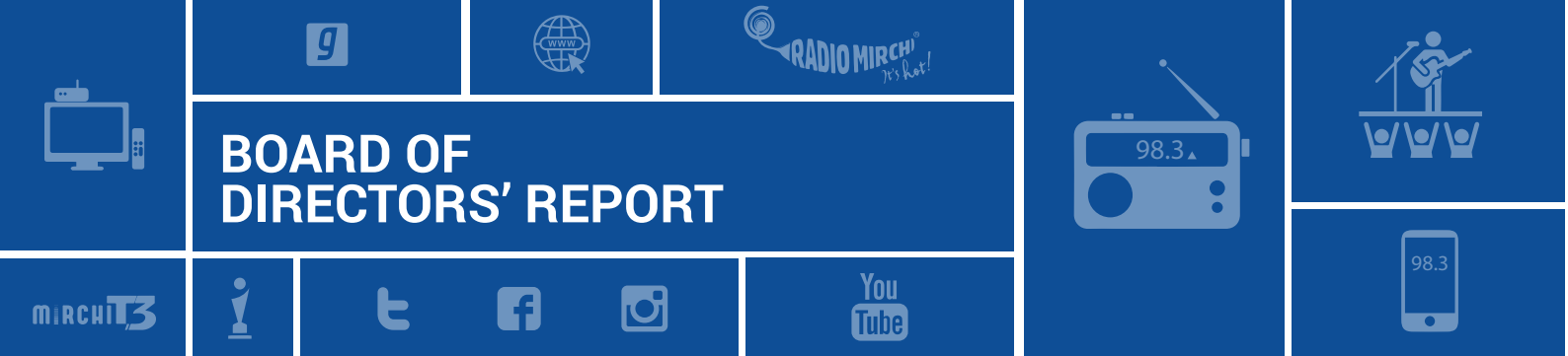
(DIN: 02747925)

(DIN: 00003962)

## 7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in

Pune, May 23, 2017



## Annexure C to the Directors' Report

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial year ended 31<sup>st</sup> March 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule

No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Entertainment Network (India) Limited,**

CIN: L92140MH1999PLC120516,

4<sup>th</sup> Floor, Matulya Centre, A-Wing, S. B. Marg,

Lower Parel (W), Mumbai- 400013.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Entertainment Network (India) Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 ("the 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder read with The Companies Act, 1956 (wherever applicable);
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - 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 (Not Applicable to the Company during the Audit Period);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with the client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not



# BOARD OF DIRECTORS' REPORT



Applicable to the Company during the Audit Period).

- vi. And the following industry specific laws, code, agreement for broadcasting industry, as informed and certified by the Management of 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) GOPA (Grant of Permission Agreement);
  - f) The Code for Commercial Broadcasting.

We 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with the Companies Act, 1956 (wherever applicable).

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Committee Meetings, agenda

and detailed notes on agenda were 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 carried through with requisite majority and no dissenting views have been recorded.

**We 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.

**We further report that** during the Audit Period, there were no instances of:

- i. Public / Rights / Preferential issue of shares/ debentures / sweat equity;
- ii. Redemption / buy-back of securities;
- iii. Merger /amalgamation /reconstruction, etc;
- iv. Foreign technical collaborations.

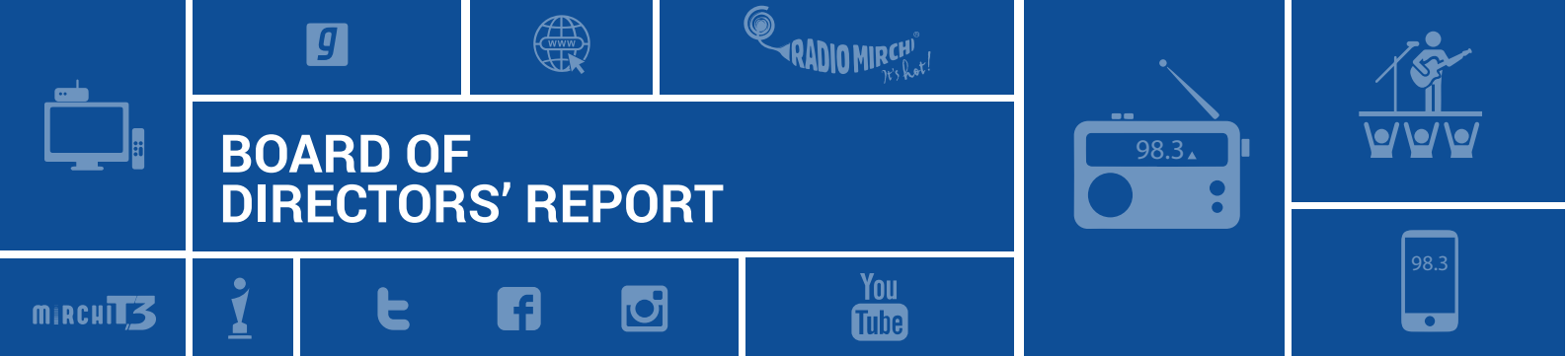
For **Hemanshu Kapadia & Associates**  
Practicing Company Secretaries

sd/-

Hemanshu Kapadia  
Proprietor  
C.P. No.: 2285  
Membership No.: F3477

Mumbai, May 4, 2017

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



### Annexure A

To,  
The Members,  
Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, Matulya Centre, A-Wing, S. B. Marg,  
Lower Parel (W), Mumbai- 400013.

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates**  
Practicing Company Secretaries

sd/-

Hemanshu Kapadia  
Proprietor  
C.P. No.: 2285  
Membership No.: F3477

Mumbai, May 4, 2017



# BOARD OF DIRECTORS' REPORT



## Annexure D to the Directors' Report

### Disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2016-2017:

Details for the financial year 2016-2017:

| Sr. No | Name of the director/ KMP                           | Ratio of remuneration of each director to median remuneration of employee | % increase in remuneration |
|--------|-----------------------------------------------------|---------------------------------------------------------------------------|----------------------------|
| 1      | Mr. Vineet Jain- Chairman                           | —                                                                         | —                          |
| 2      | Mr. B. S. Nagesh- Independent Director              | 1.10                                                                      | -32.24                     |
| 3      | Mr. N. Kumar- Independent Director                  | 1.89                                                                      | 47.50                      |
| 4      | Ms. Punita Lal - Independent Director               | 1.55                                                                      | N. A.                      |
| 5      | Mr. Ravindra Kulkarni- Independent Director         | 2.06                                                                      | 46.21                      |
| 6      | Mr. Richard Saldanha- Independent Director          | 1.49                                                                      | -7.89                      |
| 7      | Mr. Prashant Panday- Managing Director & CEO        | 71.39                                                                     | * -9.68                    |
| 8      | Mr. N. Subramanian- Group CFO                       | Not applicable                                                            | @ -11.23                   |
| 9      | Mr. Mehul Shah- SVP- Compliance & Company Secretary | Not applicable                                                            | 11.68                      |

\* In FY 2015-16, Mr. Panday was granted one time payment of ₹ 62.35 lakhs and remuneration number of FY 2015-16 includes the one time payment. Percentage increase in remuneration would have been 8.61% without considering the one time payment made in FY 2015-16.

@ In FY 2015-16, Mr. Subramanian was granted one time payment of ₹ 44.74 lakhs and remuneration number of FY 2015-16 includes the said one time payment. Percentage increase in remuneration would have been 8.67% without considering one time payment made in FY 2015-16.

- ii. The percentage decrease in the median remuneration of employees in the financial year 2016-17 was 4.5%.
- iii. The number of permanent employees on the rolls of the Company as on March 31, 2017 were 1042.
- iv. Average percentage decrease in the salaries of employees other than the managerial personnel in the financial year 2016-17 was 5.1% and the percentage decrease in the managerial remuneration in the financial year 2016-17 was 6.46%. Percentage increase in the managerial remuneration would have been 10.91% without considering one time payment made to Mr. Prashant Panday, Managing Director & CEO
- v. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

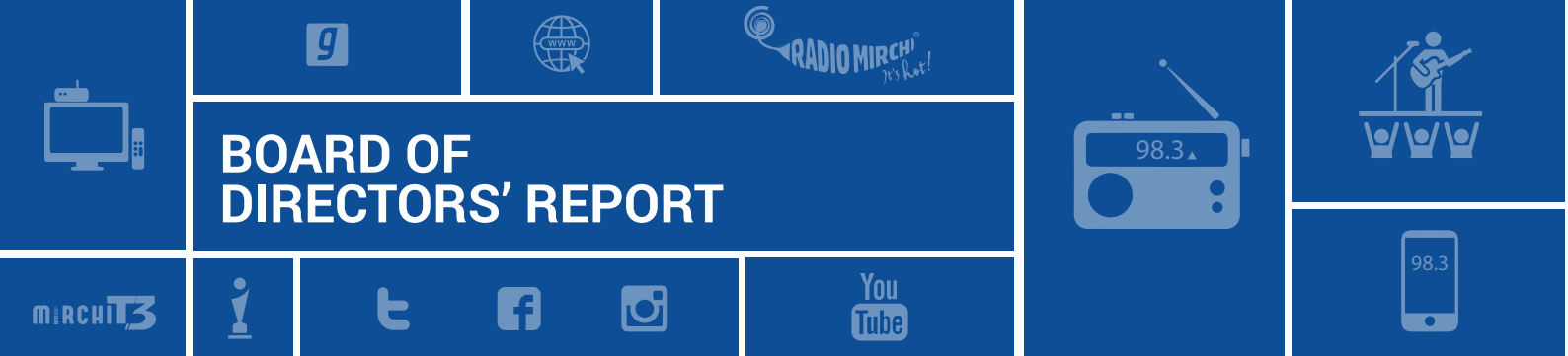
For and on behalf of the Board of Directors

sd/-

Vineet Jain  
Chairman

(DIN: 00003962)

Pune, May 23, 2017



## Annexure E to the Directors' Report

### FORM NO. 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

- i) CIN : L92140MH1999PLC120516
- ii) Registration Date : June 24, 1999
- iii) Name of the Company : Entertainment Network (India) Limited
- iv) Category / Sub-Category of the Company: Public Limited Company - limited by shares
- v) Address of the Registered office and contact details : 4<sup>th</sup> Floor, 'A' Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, India.  
Tel.: 022 6662 0600. Fax: 022 6661 5030.
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited,  
Unit: Entertainment Network (India) Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500032.  
Phone: 040-67162222; Fax: 040-23001153.  
Toll Free no.: 1800-345-4001.

#### II. Principal business activities of the company

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--------------------------------------------------|-----------------------------------|------------------------------------|
| 1       | Private FM Radio Broadcasting                    | 60100                             | 98.43                              |

#### III. Particulars of Holding, Subsidiary and Associate Companies

| Sl. No.                                       | Name and address of the Company                                                                                                                                                                                                 | CIN                   | % of shares held |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|
| <b>Holding Company [Section 2(46)]</b>        |                                                                                                                                                                                                                                 |                       |                  |
| 1                                             | Bennett, Coleman & Company Limited<br>[Ultimate Holding Company]<br>The Times of India Building, Dr. D. N. Road,<br>Mumbai - 400 001.                                                                                           | U22120MH1913PLC000391 | 71.15            |
| <b>Subsidiary Company [Section 2(87)(ii)]</b> |                                                                                                                                                                                                                                 |                       |                  |
| 1                                             | Alternate Brand Solutions (India) Limited<br>4 <sup>th</sup> Floor, 'A' Wing, Matulya Centre,<br>Senapati Bapat Marg, Lower Parel (West),<br>Mumbai – 400 013, India.<br>Tel.: 022-4098 3000 / 6662 0600<br>Fax: 022-6661 5030. | U92190MH2007PLC175549 | 100              |

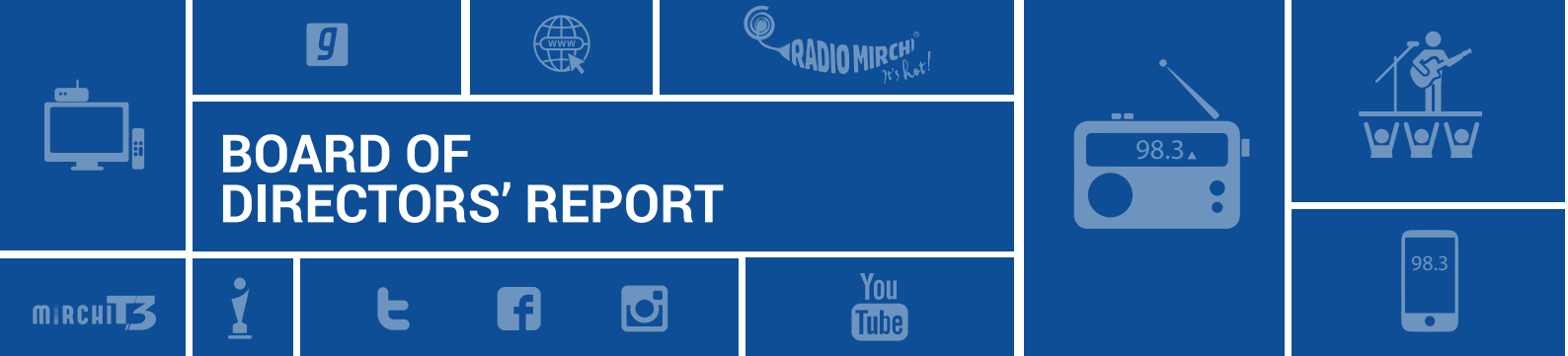
# BOARD OF DIRECTORS' REPORT



## IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Shareholding:

| Category of Shareholders                                                        | No. of Shares held at the beginning of the year (April 1, 2016) |          |          |                   | No. of Shares held at the end of the year (March 31, 2017) |          |          |                   | % Change during the year |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------|----------|----------|-------------------|------------------------------------------------------------|----------|----------|-------------------|--------------------------|
|                                                                                 | Demat                                                           | Physical | Total    | % of total shares | Demat                                                      | Physical | Total    | % of total shares |                          |
| A. PROMOTERS                                                                    |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| 1) Indian                                                                       |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| a) Individuals/ HUF                                                             | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| b) Central Government                                                           | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| c) State Government(s)                                                          | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| d) Bodies Corporate                                                             | 33918400                                                        | 0        | 33918400 | 71.15             | 33918400                                                   | 0        | 33918400 | 71.15             | 0.00                     |
| e) Banks / FI                                                                   | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| f) Any Other                                                                    |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| Sub-total (A) (1)                                                               | 33918400                                                        | 0        | 33918400 | 71.15             | 33918400                                                   | 0        | 33918400 | 71.15             | 0.00                     |
| 2) Foreign                                                                      |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| a) NRIs- Individuals                                                            | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| b) Other – Individuals                                                          | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| c) Bodies Corp.                                                                 | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| d) Banks / FI                                                                   | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| e) Any Other ..                                                                 | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| Sub-total (A) (2)                                                               | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2)                              | 33918400                                                        | 0        | 33918400 | 71.15             | 33918400                                                   | 0        | 33918400 | 71.15             | 0.00                     |
| B. Public Shareholding                                                          |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| 1) Institutions                                                                 |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| a) Mutual Funds                                                                 | 1012693                                                         | 0        | 1012693  | 2.12              | 1696022                                                    | 0        | 1696022  | 3.56              | 1.44                     |
| b) Banks / FI                                                                   | 2856                                                            | 0        | 2856     | 0.01              | 3258                                                       | 0        | 3258     | 0.01              | 0.00                     |
| c) Central Govt                                                                 | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| d) State Govt(s)                                                                | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| e)Venture Capital Funds                                                         | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| f) Insurance Companies                                                          | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| g) FIs                                                                          | 7886370                                                         | 0        | 7886370  | 16.54             | 7854361                                                    | 0        | 7854361  | 16.48             | -0.07                    |
| h) Foreign Venture Capital Funds                                                | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| i) Others (specify)                                                             | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| Sub-total (B) (1)                                                               | 8901919                                                         | 0        | 8901919  | 18.67             | 9553641                                                    | 0        | 9553641  | 20.04             | 1.37                     |
| 2) Non Institutions                                                             |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| a) Bodies Corp.                                                                 |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| i) Indian                                                                       | 2545913                                                         | 0        | 2545913  | 5.34              | 1448575                                                    | 0        | 1448575  | 3.04              | -2.30                    |
| ii) Overseas                                                                    | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| b) Individuals                                                                  |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 1112873                                                         | 302      | 1113175  | 2.34              | 1458270                                                    | 302      | 1458572  | 3.06              | 0.72                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1041347                                                         | 0        | 1041347  | 2.18              | 1114865                                                    | 0        | 1114865  | 2.34              | 0.15                     |
| c) Others (specify)                                                             |                                                                 |          |          |                   |                                                            |          |          |                   |                          |
| i) Clearing Members                                                             | 2642                                                            | 0        | 2642     | 0.01              | 6809                                                       | 0        | 6809     | 0.01              | 0.01                     |
| ii) Non Resident Indians                                                        | 146959                                                          | 0        | 146959   | 0.31              | 164433                                                     | 0        | 164433   | 0.34              | 0.04                     |
| iii) Trust                                                                      | 60                                                              | 0        | 60       | 0.00              | 5120                                                       | 0        | 5120     | 0.01              | 0.01                     |
| Sub-total (B) (2)                                                               | 4849794                                                         | 302      | 4850096  | 10.17             | 4198072                                                    | 302      | 4198374  | 8.81              | -1.37                    |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                    | 13751713                                                        | 302      | 13752015 | 28.85             | 13751713                                                   | 302      | 13752015 | 28.85             | 0.00                     |
| C. Shares held by custodian for GDRS & ADRS                                     | 0                                                               | 0        | 0        | 0.00              | 0                                                          | 0        | 0        | 0.00              | 0.00                     |
| Grand Total (A+B+C)                                                             | 47670113                                                        | 302      | 47670415 | 100.00            | 47670113                                                   | 302      | 47670415 | 100.00            | 0.00                     |



ii) Shareholding of Promoters:

| Sl. No | Shareholder's Name                          | Shareholding at the beginning of the year (April 1, 2016) |                                  |                                                   | Shareholding at the end of the year (March 31, 2017) |                                  |                                                   | % change in shareholding during the year |
|--------|---------------------------------------------|-----------------------------------------------------------|----------------------------------|---------------------------------------------------|------------------------------------------------------|----------------------------------|---------------------------------------------------|------------------------------------------|
|        |                                             | No. of shares                                             | % of total Shares of the company | % of Shares Pledged / encumbe red to total shares | No. of shares                                        | % of total Shares of the company | % of Shares Pledged / encumbe red to total shares |                                          |
| 1      | Times Infotainment Media Limited ['TIML']   | 30526560                                                  | 64.04                            | 0.00                                              | 0                                                    | 0                                | 0.00                                              | -64.04                                   |
| 2      | Bennett, Coleman & Company Limited ['BCCL'] | 3391840                                                   | 7.12                             | 0.00                                              | 33918400                                             | 71.15                            | 0.00                                              | 64.04                                    |
|        | <b>Total</b>                                | <b>33918400</b>                                           | <b>71.15</b>                     | <b>0.00</b>                                       | <b>33918400</b>                                      | <b>71.15</b>                     | <b>0.00</b>                                       | <b>0.00</b>                              |

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

Entire shareholding of TIML in the Company transferred to BCCL, and BCCL is the sole promoter shareholder of the Company with effect from April 26, 2016.

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

(as furnished by the Registrar and Share transfer Agent)

| Sl. No. | Name                            | 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       | Amansa Holdings Private Limited | 2187611                                                                           | 4.59                             | 1/Apr/16  |                                     |          |                                         |                                  |
|         |                                 |                                                                                   |                                  | 2/Sep/16  | 13573                               | Purchase | 2201184                                 | 4.62                             |
|         |                                 |                                                                                   |                                  | 9/Sep/16  | 2484                                | Purchase | 2203668                                 | 4.62                             |
|         |                                 |                                                                                   |                                  | 7/Oct/16  | 53510                               | Purchase | 2257178                                 | 4.73                             |
|         |                                 |                                                                                   |                                  | 18/Nov/16 | 574261                              | Purchase | 2831439                                 | 5.94                             |
|         |                                 | 2831439                                                                           | 5.94                             | 31/Mar/17 |                                     |          | 2831439                                 | 5.94                             |
| 2       | SBI Life Insurance Co. Ltd.     | 2054984                                                                           | 4.31                             | 1/Apr/16  |                                     |          |                                         |                                  |
|         |                                 |                                                                                   |                                  | 8/Apr/16  | 3970                                | Purchase | 2058954                                 | 4.32                             |
|         |                                 |                                                                                   |                                  | 29/Apr/16 | -82798                              | Sale     | 1976156                                 | 4.15                             |
|         |                                 |                                                                                   |                                  | 6/May/16  | 4000                                | Purchase | 1980156                                 | 4.15                             |
|         |                                 |                                                                                   |                                  | 13/May/16 | 1000                                | Purchase | 1981156                                 | 4.16                             |
|         |                                 |                                                                                   |                                  | 27/May/16 | 1999                                | Purchase | 1983155                                 | 4.16                             |
|         |                                 |                                                                                   |                                  | 3/Jun/16  | 13711                               | Purchase | 1996866                                 | 4.19                             |
|         |                                 |                                                                                   |                                  | 24/Jun/16 | -3104                               | Sale     | 1993762                                 | 4.18                             |
|         |                                 |                                                                                   |                                  | 1/Jul/16  | 2000                                | Purchase | 1995762                                 | 4.19                             |
|         |                                 |                                                                                   |                                  | 8/Jul/16  | 4345                                | Purchase | 2000107                                 | 4.20                             |
|         |                                 |                                                                                   |                                  | 15/Jul/16 | -13000                              | Sale     | 1987107                                 | 4.17                             |
|         |                                 |                                                                                   |                                  | 22/Jul/16 | -2202                               | Sale     | 1984905                                 | 4.16                             |
|         |                                 |                                                                                   |                                  | 12/Aug/16 | -1500                               | Sale     | 1983405                                 | 4.16                             |
|         |                                 |                                                                                   |                                  | 19/Aug/16 | 6807                                | Purchase | 1990212                                 | 4.17                             |
|         |                                 |                                                                                   |                                  | 26/Aug/16 | 4000                                | Purchase | 1994212                                 | 4.18                             |
|         |                                 |                                                                                   |                                  | 2/Sep/16  | -93845                              | Sale     | 1900367                                 | 3.99                             |
|         |                                 |                                                                                   |                                  | 9/Sep/16  | -8167                               | Sale     | 1892200                                 | 3.97                             |
|         |                                 |                                                                                   |                                  | 16/Sep/16 | 2844                                | Purchase | 1895044                                 | 3.98                             |
|         |                                 |                                                                                   |                                  | 23/Sep/16 | 9095                                | Purchase | 1904139                                 | 3.99                             |
|         |                                 |                                                                                   |                                  | 30/Sep/16 | -44000                              | Sale     | 1860139                                 | 3.90                             |
|         |                                 |                                                                                   |                                  | 7/Oct/16  | -41405                              | Sale     | 1818734                                 | 3.82                             |
|         |                                 |                                                                                   |                                  | 21/Oct/16 | 1821                                | Purchase | 1820555                                 | 3.82                             |



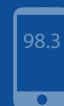
# BOARD OF DIRECTORS' REPORT



| Sl. No. | Name                                                    | 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 |
|         |                                                         |                                                                                   |                                  | 28/Oct/16 | -42500                              | Sale                         | 1778055                                 | 3.73                             |
|         |                                                         |                                                                                   |                                  | 11/Nov/16 | -49942                              | Sale                         | 1728113                                 | 3.63                             |
|         |                                                         |                                                                                   |                                  | 18/Nov/16 | 238                                 | Purchase                     | 1728351                                 | 3.63                             |
|         |                                                         |                                                                                   |                                  | 25/Nov/16 | -49941                              | Sale                         | 1678410                                 | 3.52                             |
|         |                                                         |                                                                                   |                                  | 2/Dec/16  | 12143                               | Purchase                     | 1690553                                 | 3.55                             |
|         |                                                         |                                                                                   |                                  | 9/Dec/16  | 2581                                | Purchase                     | 1693134                                 | 3.55                             |
|         |                                                         |                                                                                   |                                  | 16/Dec/16 | 4613                                | Purchase                     | 1697747                                 | 3.56                             |
|         |                                                         |                                                                                   |                                  | 23/Dec/16 | -49000                              | Sale                         | 1648747                                 | 3.46                             |
|         |                                                         |                                                                                   |                                  | 30/Dec/16 | 10867                               | Purchase                     | 1659614                                 | 3.48                             |
|         |                                                         |                                                                                   |                                  | 6/Jan/17  | 4000                                | Purchase                     | 1663614                                 | 3.49                             |
|         |                                                         |                                                                                   |                                  | 13/Jan/17 | -65000                              | Sale                         | 1598614                                 | 3.35                             |
|         |                                                         |                                                                                   |                                  | 20/Jan/17 | -486390                             | Sale                         | 1112224                                 | 2.33                             |
|         |                                                         |                                                                                   |                                  | 27/Jan/17 | -25000                              | Sale                         | 1087224                                 | 2.28                             |
|         |                                                         |                                                                                   |                                  | 3/Feb/17  | -100000                             | Sale                         | 987224                                  | 2.07                             |
|         |                                                         |                                                                                   |                                  | 10/Feb/17 | -10051                              | Sale                         | 977173                                  | 2.05                             |
|         |                                                         |                                                                                   |                                  | 17/Feb/17 | -10000                              | Sale                         | 967173                                  | 2.03                             |
|         |                                                         |                                                                                   |                                  | 24/Feb/17 | 5000                                | Purchase                     | 972173                                  | 2.04                             |
|         |                                                         |                                                                                   |                                  | 3/Mar/17  | -75678                              | Sale                         | 896495                                  | 1.88                             |
|         |                                                         |                                                                                   |                                  | 10/Mar/17 | 5000                                | Purchase                     | 901495                                  | 1.89                             |
|         |                                                         |                                                                                   |                                  | 17/Mar/17 | -46521                              | Sale                         | 854974                                  | 1.79                             |
|         |                                                         |                                                                                   |                                  | 24/Mar/17 | 11645                               | Purchase                     | 866619                                  | 1.82                             |
|         |                                                         |                                                                                   |                                  | 31/Mar/17 | -9001                               | Sale                         | 857618                                  | 1.80                             |
|         |                                                         | 857618                                                                            | 1.80                             | 31/Mar/17 |                                     |                              | 857618                                  | 1.80                             |
| 3       | Acacia Partners, LP                                     | 1166230                                                                           | 2.45                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                         |                                                                                   |                                  | 11/Nov/16 | -206230                             | Sale                         | 960000                                  | 2.01                             |
|         |                                                         | 960000                                                                            | 2.01                             | 31/Mar/17 |                                     |                              | 960000                                  | 2.01                             |
| 4       | Pinebridge Investments GF Mauritius Ltd.                | 1154135                                                                           | 2.42                             | 1/Apr/16  | 0                                   | Nil movement during the year |                                         |                                  |
|         |                                                         | 1154135                                                                           | 2.42                             | 31/Mar/17 |                                     |                              | 1154135                                 | 2.42                             |
| 5       | Acacia Institutional Partners, LP                       | 1125111                                                                           | 2.36                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                         |                                                                                   |                                  | 11/Nov/16 | -345111                             | Sale                         | 780000                                  | 1.64                             |
|         |                                                         | 780000                                                                            | 1.64                             | 31/Mar/17 |                                     |                              | 780000                                  | 1.64                             |
| 6       | Acacia Conservation Fund LP                             | 678614                                                                            | 1.42                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                         |                                                                                   |                                  | 11/Nov/16 | -78614                              | Sale                         | 600000                                  | 1.26                             |
|         |                                                         | 600000                                                                            | 1.26                             | 31/Mar/17 |                                     |                              | 600000                                  | 1.26                             |
| 7       | Acacia Banyan Partners                                  | 492400                                                                            | 1.03                             | 1/Apr/16  | 0                                   | Nil movement during the year |                                         |                                  |
|         |                                                         | 492400                                                                            | 1.03                             | 31/Mar/17 |                                     |                              | 492400                                  | 1.03                             |
| 8       | IDFC Premier Equity Fund                                | 0                                                                                 | 0.00                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                         |                                                                                   |                                  | 20/Jan/17 | 470000                              | Purchase                     | 470000                                  | 0.99                             |
|         |                                                         | 470000                                                                            | 0.99                             | 31/Mar/17 |                                     |                              | 470000                                  | 0.99                             |
| 9       | Mousseganesh Limited                                    | 400000                                                                            | 0.84                             | 1/Apr/16  | 0                                   | Nil movement during the year |                                         |                                  |
|         |                                                         | 400000                                                                            | 0.84                             | 31/Mar/17 |                                     |                              | 400000                                  | 0.84                             |
| 10      | Manish Prataprai Gandhi jointly with Renu Manish Gandhi | 400000                                                                            | 0.84                             | 1/Apr/16  | 0                                   | Nil movement during the year |                                         |                                  |
|         |                                                         | 400000                                                                            | 0.84                             | 31/Mar/17 |                                     |                              | 400000                                  | 0.84                             |



# BOARD OF DIRECTORS' REPORT



| Sl. No. | Name                                                      | 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 |
| 11      | Jagrut Prataprai Gandhi jointly with Anjana Jagrut Gandhi | 385000                                                                            | 0.81                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                           |                                                                                   |                                  | 8/Apr/16  | -258                                | Sale                         | 384742                                  | 0.81                             |
|         |                                                           |                                                                                   |                                  | 13/May/16 | 258                                 | Purchase                     | 385000                                  | 0.81                             |
|         |                                                           | 385000                                                                            | 0.81                             | 31/Mar/17 |                                     |                              | 385000                                  | 0.81                             |
| 12      | Franklin India Smaller Companies Fund                     | 384563                                                                            | 0.81                             | 1/Apr/16  | 0                                   | Nil movement during the year |                                         |                                  |
|         |                                                           | 384563                                                                            | 0.81                             | 31/Mar/17 |                                     |                              | 384563                                  | 0.81                             |
| 13      | ICICI Prudential Multicap Fund                            | 208678                                                                            | 0.44                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                           |                                                                                   |                                  | 29/Apr/16 | 101142                              | Purchase                     | 309820                                  | 0.65                             |
|         |                                                           |                                                                                   |                                  | 26/Aug/16 | 1004                                | Purchase                     | 310824                                  | 0.65                             |
|         |                                                           | 310824                                                                            | 0.65                             | 31/Mar/17 |                                     |                              | 310824                                  | 0.65                             |
| 14      | IDFC Equity Opportunity – Series-I                        | 197829                                                                            | 0.41                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                           |                                                                                   |                                  | 15/Apr/16 | -197829                             | Sale                         | 0                                       | 0.00                             |
|         |                                                           | 0                                                                                 | 0.00                             | 31/Mar/17 |                                     |                              | 0                                       | 0.00                             |
| 15      | Veritable, L.P. A/C VEMF - A, L.P.                        | 169055                                                                            | 0.35                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                           |                                                                                   |                                  | 22/Jul/16 | 21000                               | Purchase                     | 190055                                  | 0.40                             |
|         |                                                           |                                                                                   |                                  | 2/Sep/16  | 715                                 | Purchase                     | 190770                                  | 0.40                             |
|         |                                                           |                                                                                   |                                  | 9/Sep/16  | 130                                 | Purchase                     | 190900                                  | 0.40                             |
|         |                                                           |                                                                                   |                                  | 7/Oct/16  | 2798                                | Purchase                     | 193698                                  | 0.41                             |
|         |                                                           |                                                                                   |                                  | 18/Nov/16 | 30248                               | Purchase                     | 223946                                  | 0.47                             |
|         |                                                           | 223946                                                                            | 0.47                             | 31/Mar/17 |                                     |                              | 223946                                  | 0.47                             |
| 16      | ICICI Lombard General Insurance Co. Ltd.                  | 150001                                                                            | 0.31                             | 1/Apr/16  |                                     |                              |                                         |                                  |
|         |                                                           |                                                                                   |                                  | 12/Aug/16 | 1667                                | Purchase                     | 151668                                  | 0.32                             |
|         |                                                           |                                                                                   |                                  | 25/Nov/16 | 50000                               | Purchase                     | 201668                                  | 0.42                             |
|         |                                                           | 201668                                                                            | 0.42                             | 31/Mar/17 |                                     |                              | 201668                                  | 0.42                             |

v) **Shareholding of Directors and Key Managerial Personnel:  
For Each of the Directors and KMP**

| Sl. No |                                                                                                                                                                       | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                                                                                                                                                       | No. of shares                             | % of total shares of the company | No. of shares                           | % of total Shares of the company |
| 1      | <b>Mr. Prashant Panday</b><br>Managing Director & CEO and KMP                                                                                                         |                                           |                                  |                                         |                                  |
|        | At the beginning of the year (April 1, 2016)                                                                                                                          | 21900                                     | 0.05                             |                                         |                                  |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):     | Nil movement during the year              |                                  |                                         |                                  |
|        | At the end of the year (March 31, 2017)                                                                                                                               | 21900                                     | 0.05                             | 21900                                   | 0.05                             |
| 2      | <b>Mr. Mehul Shah</b><br>(Company Secretary & KMP)                                                                                                                    |                                           |                                  |                                         |                                  |
|        | At the beginning of the year (April 1, 2016)                                                                                                                          | 400                                       | 0.00                             |                                         |                                  |
|        | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | Nil movement during the year              |                                  |                                         |                                  |
|        | At the end of the year (March 31, 2017)                                                                                                                               | 400                                       | 0.00                             | 400                                     | 0.00                             |

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



# BOARD OF DIRECTORS' REPORT



## V. Indebtedness

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

(₹ in lakhs)

|                                                            | Secured Loans excluding deposits | Unsecured Loans   | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                   |          |                    |
| i) Principal Amount                                        | 0                                | 24,942.60         | 0        | 24,942.60          |
| ii) Interest due but not paid                              | 0                                | 0                 | 0        | 0                  |
| iii) Interest accrued but not due                          | 0                                | 65.85             | 0        | 65.85              |
| <b>Total (i+ii+iii)</b>                                    | <b>0</b>                         | <b>25,008.45</b>  | <b>0</b> | <b>25,008.45</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                   |          |                    |
| • Addition                                                 | 0                                | 14,310.64         | 0        | 14,310.64          |
| • Reduction                                                | 0                                | -27,000.00        | 0        | -27,000.00         |
| <b>Net Change</b>                                          | <b>0</b>                         | <b>-12,689.36</b> | <b>0</b> | <b>-12,689.36</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                   |          |                    |
| i) Principal Amount                                        | 0                                | 12,180.09         | 0        | 12,180.09          |
| ii) Interest due but not paid                              | 0                                | 0                 | 0        | 0                  |
| iii) Interest accrued but not due                          | 0                                | 139.00            | 0        | 139.00             |
| <b>Total (i+ii+iii)</b>                                    | <b>0</b>                         | <b>12,319.09</b>  | <b>0</b> | <b>12,319.09</b>   |

## VI. Remuneration of Directors and Key Managerial Personnel

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

Name of MD/WTD/ Manager: Mr. Prashant Panday - Managing Director & CEO

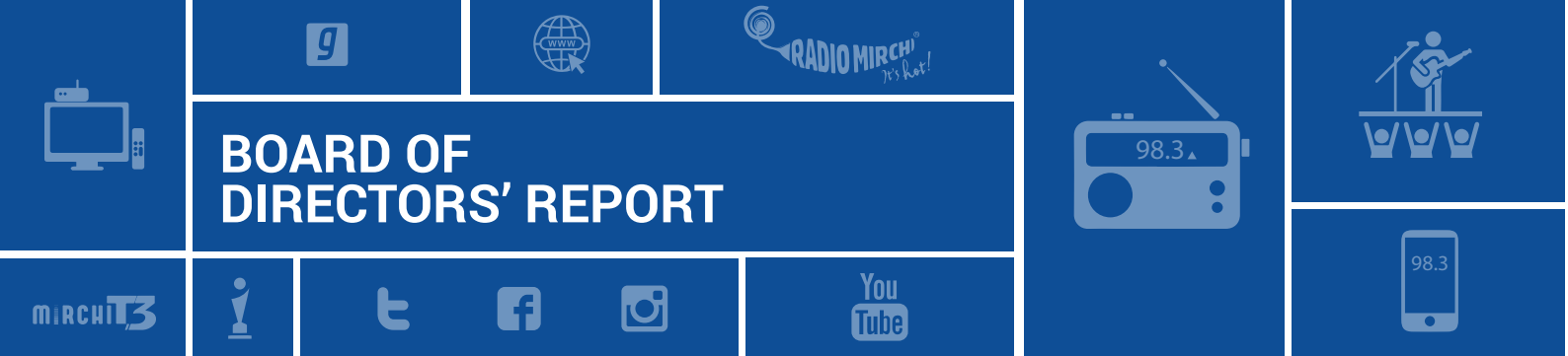
(₹ in lakhs)

| Sr. No. | Particulars of Remuneration                                                                                  | Total Amount  |
|---------|--------------------------------------------------------------------------------------------------------------|---------------|
| 1       | Gross salary                                                                                                 |               |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961                          | 326.23        |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                                               | 0.14          |
|         | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961                                | 0.00          |
| 2       | Stock Option                                                                                                 | 0.00          |
| 3       | Sweat Equity                                                                                                 | 0.00          |
| 4       | Commission                                                                                                   |               |
|         | – as % of profit                                                                                             | 0.00          |
|         | – others, specify...                                                                                         | 0.00          |
| 5       | Others: (Company's contribution to PF)                                                                       | 8.09          |
|         | <b>Total (A)</b>                                                                                             | <b>334.46</b> |
|         | <b>Ceiling as per the Act [5% of Net Profits as calculated under section 198 of the Companies Act, 2013]</b> | <b>514.45</b> |

### B) Remuneration to other directors:

(₹ in lakhs)

| Particulars of Remuneration                  | Name of Directors |              |                |                       |                      | Total amount |
|----------------------------------------------|-------------------|--------------|----------------|-----------------------|----------------------|--------------|
|                                              | Mr. B. S. Nagesh  | Mr. N. Kumar | Ms. Punita Lal | Mr. Ravindra Kulkarni | Mr. Richard Saldanha |              |
| <b>1. Independent Directors</b>              |                   |              |                |                       |                      |              |
| • Fee for attending board/committee meetings | 1.40              | 2.60         | 1.00           | 3.40                  | 2.00                 | <b>10.40</b> |
| • Commission                                 | 3.75              | 6.25         | 6.25           | 6.25                  | 5.00                 | <b>27.50</b> |
| • Others, please specify                     | 0.00              | 0.00         | 0.00           | 0.00                  | 0.00                 | <b>0.00</b>  |
| <b>Total (1)</b>                             | <b>5.15</b>       | <b>8.85</b>  | <b>7.25</b>    | <b>9.65</b>           | <b>7.00</b>          | <b>37.90</b> |



|                                              |                        |                                                                                 |  |  |  |               |
|----------------------------------------------|------------------------|---------------------------------------------------------------------------------|--|--|--|---------------|
| <b>2. Other Non- Executive Directors</b>     | <b>Mr. Vineet Jain</b> |                                                                                 |  |  |  |               |
| • Fee for attending board/committee meetings | 0                      |                                                                                 |  |  |  |               |
| • Commission                                 | 0                      |                                                                                 |  |  |  |               |
| • Others, please specify                     | 0                      |                                                                                 |  |  |  |               |
| <b>Total (2)</b>                             | <b>0</b>               |                                                                                 |  |  |  | <b>0</b>      |
| <b>Total (B)=(1+2)</b>                       |                        |                                                                                 |  |  |  | <b>37.90</b>  |
| <b>Total Managerial Remuneration (A)+(B)</b> |                        |                                                                                 |  |  |  | <b>372.36</b> |
| Overall Ceiling as per the Act               | 102.89                 | [1% of Net Profits as calculated under section 198 of the Companies Act, 2013]  |  |  |  |               |
| Overall Ceiling as per the Act               | 1131.78                | [11% of Net Profits as calculated under section 198 of the Companies Act, 2013] |  |  |  |               |

**C) Remuneration to Key Managerial Personnel Other than MD / Manager / WTD:**

(₹ in lakhs)

| Sl. No.  | Particulars of Remuneration                                                        | Key Managerial Personnel |               |               |
|----------|------------------------------------------------------------------------------------|--------------------------|---------------|---------------|
|          |                                                                                    | Company Secretary        | CFO           | Total         |
| <b>1</b> | <b>Gross salary</b>                                                                |                          |               |               |
|          | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 54.06                    | 209.82        | 263.88        |
|          | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 0.00                     | 0.61          | 0.61          |
|          | c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961       | 0                        | 0             | 0             |
| <b>2</b> | <b>Stock Option</b>                                                                | 0                        | 0             | 0             |
| <b>3</b> | <b>Sweat Equity</b>                                                                | 0                        | 0             | 0             |
| <b>4</b> | <b>Commission</b>                                                                  |                          |               |               |
|          | – as % of profit                                                                   | 0                        | 0             | 0             |
|          | – others, specify...                                                               | 0                        | 0             | 0             |
| <b>5</b> | <b>Others, (Company's contribution to Provident Fund)</b>                          | 1.65                     | 6.45          | 8.10          |
|          | <b>Total</b>                                                                       | <b>55.71</b>             | <b>216.88</b> | <b>272.59</b> |

**VII. Penalties / Punishment/ Compounding of Offences**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---------------------------------------------------------|-------------------------------|------------------------------------|
| <b>A) Company</b>                   |                              |                   |                                                         |                               |                                    |
| Penalty                             | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| <b>B) Directors</b>                 |                              |                   |                                                         |                               |                                    |
| Penalty                             | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| <b>C) Other officers in default</b> |                              |                   |                                                         |                               |                                    |
| Penalty                             | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Punishment                          | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |
| Compounding                         | Nil                          | Nil               | Nil                                                     | Nil                           | Nil                                |

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

sd/-

**Vineet Jain**

*Chairman*

(DIN: 00003962)

Pune, May 23, 2017



# BOARD OF DIRECTORS' REPORT



## Annexure F to the Directors' Report

### Business Responsibility (BR) Report

#### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L92140MH1999PLC120516
2. Name of the Company: Entertainment Network (India) Limited
3. Registered address: 4<sup>th</sup> Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.
4. Website: [www.enil.co.in](http://www.enil.co.in)
5. E-mail id: [enil.investors@timesgroup.com](mailto:enil.investors@timesgroup.com)
6. Financial Year reported: April 1, 2016 to March 31, 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Private FM Radio Broadcasting: NIC Code: 60100
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Private FM Radio Broadcasting
9. Total number of locations where business activity is undertaken by the Company:
  - i. Number of International Locations (Provide details of major 5): Nil
  - ii. Number of National Locations: 39 radio stations (49 FM Radio Frequencies)
10. Markets served by the Company - Local/State/ National/International: India

#### Section B: Financial Details of the Company

1. Paid up Capital (INR): ₹ 4,767.04 lakhs
2. Total Turnover (INR): ₹ 57,611.13 lakhs
3. Total profit after taxes (INR): ₹ 5,447.40 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of the average net profit of the company for last three financial years.
5. List of activities in which expenditure in 4 above has been incurred: Details have been furnished

separately at *Annexure B* to the Directors' Report (Annual Report on CSR activities).

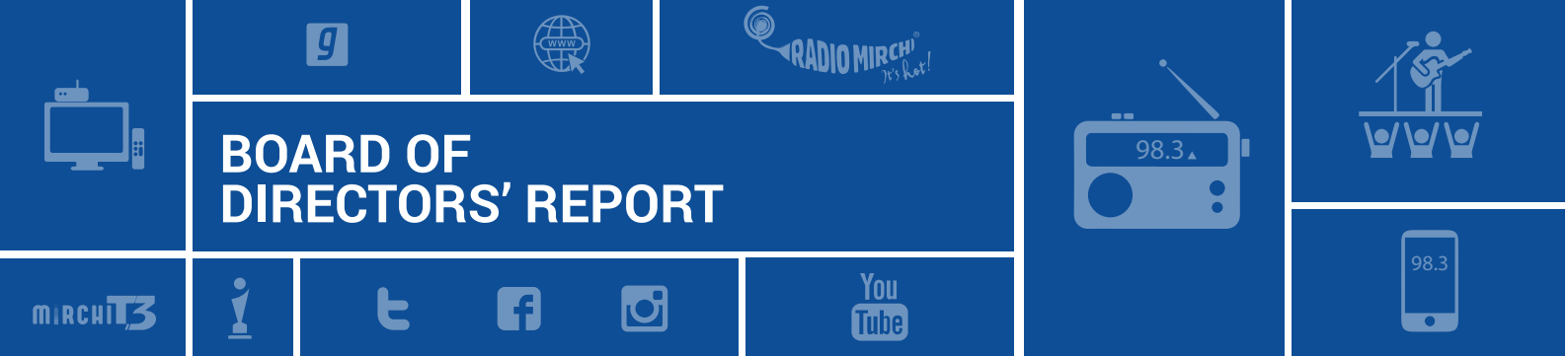
#### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?  
Yes, the Company has one subsidiary company – Alternate Brand Solutions (India) Limited.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): The Company has a code of conduct for directors and employees of the Company and various other *in house* policies. The code and other *in house* policies are followed by the subsidiary company [Alternate Brand Solutions (India) Limited].
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company has adopted Supplier / Vendor code of conduct requiring the service providers and vendors to adhere to with the said code. The code emphasizes on various parameters like conducting business in ethical manner, compliance with the law of the land, respect for human rights, corruption free business practices and many more. All the service providers and vendors registered during the financial year 2016-17 have been roped in with the said code and all other service providers and vendors registered prior to the financial year 2016-17 have been duly communicated about the said code.

#### Section D : Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR
  - a) Details of the Director / Director responsible for implementation of the BR policy/policies:



# BOARD OF DIRECTORS' REPORT

- DIN Number: 02747925
- Name: Mr. Prashant Panday
- Designation: Managing Director & Chief Executive Officer

b) Details of the BR head: Mr. Prashant Panday  
(Managing Director & Chief Executive Officer)

| S. No. | Particulars      | Details                        |
|--------|------------------|--------------------------------|
| 1.     | DIN Number       | 02747925                       |
| 2.     | Name             | Mr. Prashant Panday            |
| 3.     | Designation      | Managing Director & CEO        |
| 4.     | Telephone number | 022 67536983                   |
| 5.     | e-mail id        | prashant.panday@timesgroup.com |

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The Company has adopted the Business Responsibility Policy ('BRR') based on the nine (9) key principles and core elements of National Voluntary Guidelines on Social, Environmental & Economics Responsibilities of Business ('NVG') issued by the Ministry of Corporate Affairs. BRR is applicable to the Company and its subsidiaries. This Policy is supported by various Policies and Guidelines already adopted by the Company:

**Principle 1 :** Business should conduct and

govern themselves with ethics, transparency and accountability; (P1)

**Principle 2 :** Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle; (P2)

**Principle 3 :** Business should promote the wellbeing of all employees; (P3)

**Principle 4 :** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized; (P4)

**Principle 5 :** Business should respect and promote human rights; (P5)

**Principle 6 :** Business should respect, protect and make efforts to restore the environment; (P6)

**Principle 7 :** Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner; (P7)

**Principle 8 :** Business should support inclusive growth and equitable development; (P8)

**Principle 9 :** Businesses should engage with and provide value to their customers and consumers in a responsible manner. (P9)

a) Details of compliance (Reply in Y / N)

| S. No. | Questions                                                                                                                                                                                                                           | P 1                                                                                                                                                                                                                                                                   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.     | Do you have a policy/policies for....                                                                                                                                                                                               | Y                                                                                                                                                                                                                                                                     | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2.     | Has the policy being formulated in consultation with the relevant stakeholders?                                                                                                                                                     | Y                                                                                                                                                                                                                                                                     | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3.     | Does the policy conform to any national /international standards? If yes, specify? (50 words):<br>The Company has various policies in place in compliance with the applicable laws, rules, regulations, guidelines, standards, etc. | Y                                                                                                                                                                                                                                                                     | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 4.     | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?                                                                                                                  | Y                                                                                                                                                                                                                                                                     | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 5.     | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?                                                                                                             | Y                                                                                                                                                                                                                                                                     | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 6.     | Indicate the link for the policy to be viewed online?                                                                                                                                                                               | http://www.enil.co.in/policies-code-of-conduct.php<br>All the policies required to be hosted on the website are available on the aforesaid link. Internal policies applicable to the employees of the Company are hosted on the intranet accessible to the employees. |     |     |     |     |     |     |     |     |



# BOARD OF DIRECTORS' REPORT



| S. No. | Questions                                                                                                                                                | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 7.     | Has the policy been formally communicated to all relevant internal and external stakeholders?                                                            | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 8.     | Does the company have in-house structure to implement the policy/policies.                                                                               | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 9.     | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 10.    | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                | N   | N   | N   | N   | N   | N   | N   | N   | N   |

- b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):  
It is planned to be done within the next 1 year.

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Managing Director & CEO, supported by the functional heads, has initiated to review the implementation of the BR Policy and we plan to review the same on a yearly basis. Corporate Social Responsibility Committee is entrusted to monitor the implementation of the BR Policy and same is reviewed on a yearly basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published a separate *Business Responsibility Report* ('BRR') for the financial year under review and is attached as *Annexure F* to the Board of Director's Report. BRR is published annually.

The Company has adopted the Code of Conduct, ethics and business principles for directors and team members and Whistle Blower Policy. The said policies are extended at the group level. The Company has also adopted Supplier / Vendor code of conduct requiring the service providers and vendors to adhere to with the said code. The code emphasizes on various parameters like conducting business in ethical manner, compliance with the law of the land, respect for human rights, corruption free business practices and many more.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*

- During the financial year under review, no complaint pertaining to sexual harassment was reported to the Internal Complaints Committee of the Company.
- During the financial year under review, twenty two shareholders' complaints/ queries, etc. received and same were resolved as on March 31, 2017.

**Principle 2 :** Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

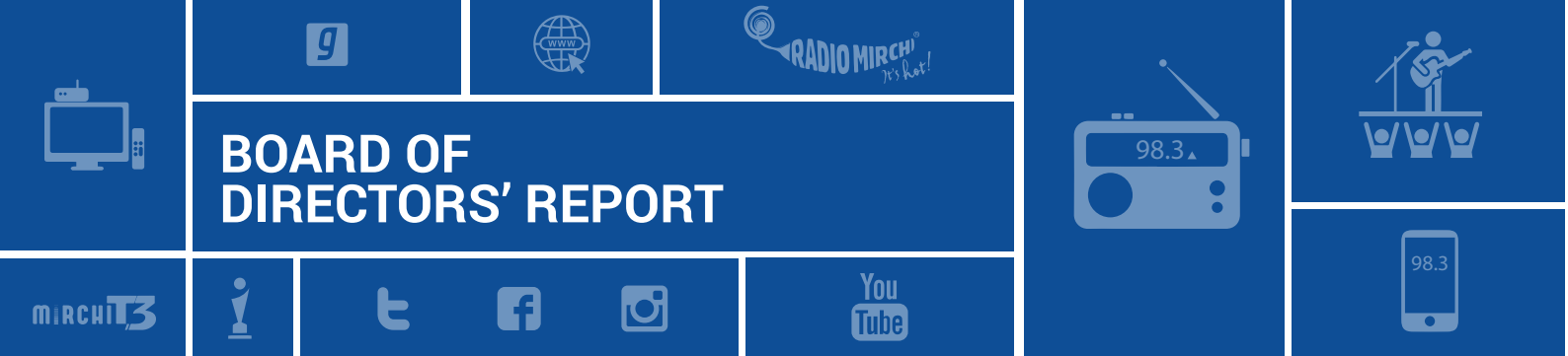
- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the business of Private FM Radio Broadcasting and is complying with the guidelines issued by the Ministry of Information & Broadcasting and advertising code as amended

### Section E: Principle-wise performance

**Principle 1 :** Business should conduct and govern themselves with ethics, transparency and accountability:

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?



- from time to time.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
    - i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
    - ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is not engaged in the manufacturing activities and therefore this para is not applicable.
  3. Does the company have procedures in place for sustainable sourcing (including transportation)?
    - i) If yes, what percentage of your inputs was sourced sustainably?

*Also, provide details thereof, in about 50 words or so.*

The Company is engaged in the business of Private FM Radio broadcasting. The broadcast predominantly consists of music in different genres. For broadcast of music, the Company has entered into voluntary license agreements with certain music labels across the country on mutually acceptable terms and in some cases the Company has obtained and complied with the Hon'ble Courts/ Copyright Board orders to broadcast music of labels on terms stipulated by them.
  4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is engaged in the business of Private

FM Radio broadcasting. Wherever possible, the Company encourages local artists and promotes them by broadcasting their musical work/ their performance. The Company has a system in place at group level for vendor registration before sourcing any goods or procuring any services. Dealing with the vendors is purely on competitive basis and priority is given for local sourcing provided other attributes are competitive.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Since the Company is engaged in the broadcasting activity, no specific mechanism is required to recycle products and waste.

**Principle 3 :** Business should promote the wellbeing of all employees:

1. Please indicate the Total number of employees. 1042 (as on March 31, 2017)
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. Over and above 1042 employees on the rolls, 28 persons were hired on contractual basis (as on March 31, 2017)
3. Please indicate the Number of permanent women employees: 317 (as on March 31, 2017)
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees are members of this recognized employee association? Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| S. No. | Category                                       | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|--------|------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|
| 1.     | Child labour/ forced labour/involuntary labour | Nil                                               | Nil                                                       |
| 2.     | Sexual harassment                              | Nil                                               | Nil                                                       |
| 3.     | Discriminatory employment                      | Nil                                               | Nil                                                       |



# BOARD OF DIRECTORS' REPORT



8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent employees: 51%
- Permanent women employees: 31%
- Casual/ temporary/ contractual employees: 11%
- Employees with disabilities: Not applicable

**Principle 4 :** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1. Has the company mapped its internal and external stakeholders? Yes /No

The Company has mapped its internal and external stakeholders, which includes employees, suppliers, vendors, service providers, investors, industry association, etc. Through Annual General Meetings, studio visits, the shareholders get an opportunity to interact with the directors and senior management team. Through investors' calls, print and electronic media, the Company furnishes all the relevant information to the stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Among the various initiatives undertaken to help vulnerable and marginalized stakeholders, of special interest would be the launch of the Good Food Talks App – which contains restaurant listings with their menus in special fonts and a special 'speak back' facility making it accessible to the visually impaired, dyslexic and autistic. Audio books have also been recorded for Pratham books on a regular basis as also for the 'Dial a Story' campaign. The same were shared with Pratham books and Saksham. Audio descriptive films were regularly screened in various Radio Mirchi stations from Bhaag Milkha Bhaag, to PK, Dhanak, Dhoni, Oppam and last but surely not the least the biggest blockbuster of the year KABALI. Dhoni, Oppam and Kabali were converted into an audio descriptive format by Radio Mirchi.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

As a part of CSR initiatives, post identification of disadvantaged, vulnerable & marginalized stakeholders, the Company has contributed towards their upliftment. Details have been furnished in the

Annual Report on CSR activities forming part of the Board of Directors' Report.

**Principle 5 :** Business should respect and promote human rights:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers Contractors/ NGOs/Others?

The BR Policy and other policies relating to the human rights cover the Company as well as other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Grievance redressal mechanism is in place to receive and address the stakeholders' complaints. During the financial year under review, twenty two shareholders' complaints/ queries, etc. received and same were resolved as on March 31, 2017.

**Principle 6 :** Business should respect, protect and make efforts to restore the environment:

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs/others.

Business activities of the Company and its subsidiary are not energy intensive. To the extent applicable, the Company consciously attempts to protect the environment in terms of energy consumption, electronic communication, etc.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has taken environmental friendly initiatives like installation of energy efficient LED lamps, power saver cooling installation, DG sets, etc.

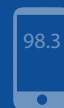
3. Does the company identify and assess potential environmental risks? Y/N. Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.



# BOARD OF DIRECTORS' REPORT



5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.: Same as stated at para 2 above.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Not applicable.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. Nil

**Principle 7 :** Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a) Association of Radio Operators for India
  - b) Bombay Chamber of Commerce
  - c) Confederation of Indian Industry
  - d) Federation of Indian Chambers of Commerce and Industries
  - e) Media Research Users Council
  - f) Internet And Mobile Association of India
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Working along with Association of Radio Operators for India (AROI), the Company has engaged with the government to plan for faster growth of the FM radio medium. Attempts have been made for more spectrum to be made available for FM broadcasting, so that more channels can be launched. More channels will provide more entertainment to the public at large. The Company and AROI have also provided support to the government for any special initiatives that it has taken, especially during times of crises like floods, terrorist attacks etc.

**Principle 8 :** Business should support inclusive growth and equitable development:

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Details have been furnished separately at *Annexure B* to the Directors' Report (Annual Report on CSR activities).

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/any other organization?
- Programmes/ projects are undertaken through in-house team. Some of the CSR activities are entrusted to external NGOs and other associations.
3. Have you done any impact assessment of your initiative?

Impact assessment of CSR initiatives is carried out by in house team regularly and same is presented before the CSR Committee.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.

Details have been furnished separately at *Annexure B* to the Directors' Report (Annual Report on CSR activities).

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Company has internal reporting mechanism followed by regular presentation before the CSR Committee to assess the CSR contribution. Follow up field visits are also undertaken to drive and monitor the CSR initiatives.

**Principle 9 :** Businesses should engage with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints consumer cases are pending as on the end of financial year.

Dedicated e-mail ID has been provided to address any business enquiry, grievances etc. Senior Management Team promptly and adequately responses to such enquiry, grievances. No investor complaint is pending for the financial year under review.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)



## BOARD OF DIRECTORS' REPORT



The Company is in the business of Private FM Radio Broadcasting and therefore this para is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trend?

Yes, the Company carries out listenership surveys across markets on a monthly basis to understand and monitor trends in listenership shares across India. Apart from this, we keep a close watch on brand health metrics (benchmarked against the industry) by conducting regular brand tracks in

several key markets. The results of these research initiatives give us insights on performance of RJs, on-air characters and any new innovations we have tried on radio.

Regular research is also conducted to stay updated with the changing musical tastes and preferences of listeners. This is done to ensure that the music we play is in-sync with what the listeners want.

Detailed qualitative & quantitative research is conducted to understand the leisure, entertainment and pastime habits of people in markets where we want to enter for the first time.

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

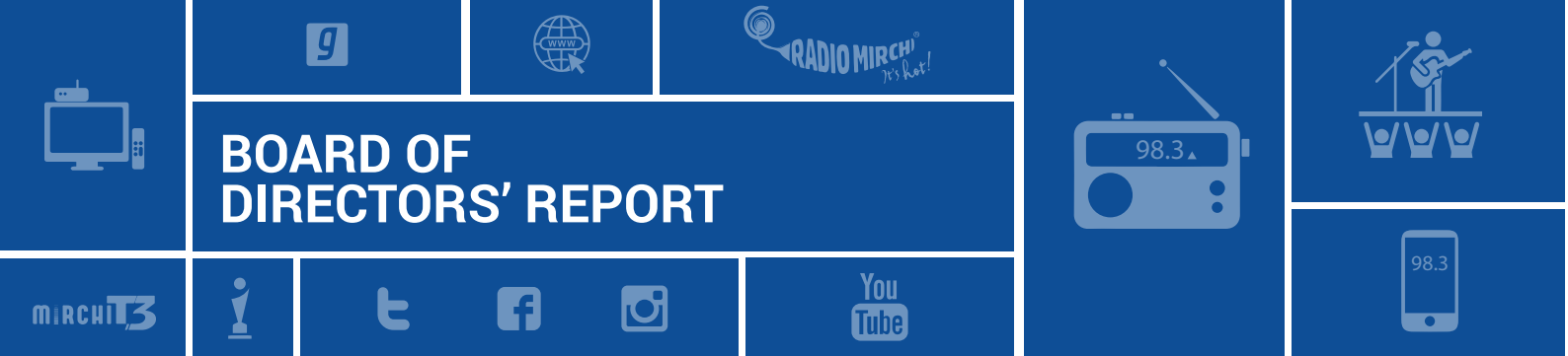
sd/-

**Vineet Jain**

*Chairman*

(DIN: 00003962)

Pune, May 23, 2017



## Annexure G to the Directors' Report

### Form AOC 2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2017, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis (Transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company).
  - a) Name(s) of the related party and nature of relationship: Bennett, Coleman & Company Limited ['BCCL'] – Holding Company.
  - b) Nature of contracts/arrangements/transactions: transactions/ arrangements of shared services including sale and purchase of advertisement, sharing of common cost, services, payment and receipt of office rent and maintenance, Leasing and/or sale and/ or purchase of assets, etc.

| Nature of arrangements / transactions | Value (₹ in lakhs) |
|---------------------------------------|--------------------|
| Sales                                 | 5,579.24           |
| Rendering of services                 | 7.02               |
| Receiving of services                 | 630.07             |
| Recovery of expenses                  | 34.33              |
| <b>Total</b>                          | <b>6,250.66</b>    |

- c) Duration of the contracts / arrangements/transactions: ongoing.
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: The related party transactions (RPTs) entered during the year were in the ordinary course of business and on an arm's length basis.
- e) Date(s) of approval by the Board, if any: November 8, 2016.
- f) Amount paid as advances, if any: Nil.

For and on behalf of the Board of Directors

sd/-

**Vineet Jain**  
Chairman

(DIN: 00003962)

Pune, May 23, 2017



# BOARD OF DIRECTORS' REPORT



## Annexure H to the Directors' Report

### Dividend Distribution Policy

#### 1. Background & Intent

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), which requires the top five hundred listed companies (based on market capitalization of every financial year) to formulate and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. The regulation also encourages other listed companies to disclose their dividend distribution policies on a voluntary basis in their annual reports and on their websites.

The Company being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, has framed this Policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Policy was approved and adopted by the Company's Board of Directors at its meeting held on May 23, 2017.

The intent of the Policy is to broadly specify the philosophy, external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized.

#### 2. Dividend Philosophy

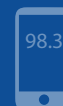
The Company believes that driving growth creates maximum shareholder value. Accordingly, the Company will first utilize its profits to secure the long term growth objectives of the Company and retire debt. Since the business is sensitive to economic conditions and has a high operating leverage, the Company will continue to maintain a conservative stance on liquidity and financial leverage. Within this overarching context, the Company's Dividend Distribution Policy shall ensure that it returns cash from operations that is in excess of its current and foreseeable requirements back to the shareholders over the long term. The Company shall endeavour to declare a steady and sustainable stream of dividends to the shareholders.

#### 3. Scope and applicable laws

- While the Policy set out herein generally relates to final Dividend, certain principles also apply to Interim Dividend declared by the Board.
- The Policy set out herein is in respect of Dividend as it relates to a going concern.
- Presently, the issued and paid up share capital of the Company comprises only equity shares. Accordingly, the Policy set out herein relate to Equity Shares only. However, the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include duly authorized committee thereof) reserves the right to modify this Policy as and when the Company issues preference or other classes of shares.
- The declaration and payment of dividend is governed by various applicable provisions of the Companies Act, 2013 and rules thereto read with the Listing Regulations requirements and compliances related to dividend, Secretarial Standards, Security Contract Regulation Act, 1956, Income Tax Act, 1961, RBI guidelines, circulars, notifications to the extent applicable, FEMA, 1999, SEBI Guidelines Circulars etc.
- Title to dividends: It shall be governed by the provisions of section 27 of Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules and regulation as amended and enforced from time to time.
- This Policy is intended to comply with the Companies Act, 2013 and the Listing Regulations. Notwithstanding anything herein to the contrary, this Policy will be interpreted only in such manner so as to comply with the Companies Act, 2013 and the Listing Regulations. Any word not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013 and the Listing Regulations, including any amendments thereto. In case any word or provision as appearing in this Policy is contrary to the meaning or provision as provided under the Companies Act, 2013 or the Listing Regulations, then the meaning or provision as provided under the Companies Act, 2013/



# BOARD OF DIRECTORS' REPORT



the Listing Regulations shall prevail and any amendments thereto shall be deemed to form part of this Policy.

#### 4. Parameters and factors for declaration of dividend

Based on the philosophy outlined in item (2) above, the Board shall consider the following parameters and factors before declaring or recommending dividend:

##### Financial parameters and internal factors:

- Business operations
- Operating cash flow of the Company
- Profit earned during the year
- Accumulated reserves
- Earnings Per Share (EPS)
- Earning stability
- Working capital requirements
- Capital expenditure requirements
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Contractual restrictions
- Additional investment in subsidiaries and associates of the company
- Upgradation of technology and physical infrastructure
- Creation of contingency fund
- Acquisition of brands and business
- Past dividend payout ratio

##### External Factors:

- Economic environment
- Capital markets
- Global conditions
- Statutory provisions and guidelines
- Legal and regulatory framework
- Applicable taxes (including tax on dividend)
- Cost of borrowing and raising funds
- Dividend payout ratio of competitors / peer groups

- Investors' expectations
- Reinvestment opportunities

The Board may additionally recommend special dividend in special circumstances.

#### 5. Circumstances under which shareholders of the Company may or may not expect dividend

The shareholders of the Company may not expect dividend under the following circumstances:

- The Company has adequate avenues to generate significantly higher returns on such surplus than what a common shareholder can reasonably expect to generate himself.
- The Company needs funds for M&As joint ventures, new product launch, business expansion, investment opportunities, deleveraging etc.
- The Company proposes to utilize surplus cash entirely for alternate forms of shareholder distribution such as share buybacks etc.
- In the event of loss or inadequacy of profit.

#### 6. Utilization of the retained earnings

The retained earnings of the Company may be used in any of the following ways:

- Organic and inorganic growth
- Investment in new businesses
- Declaration of Dividend
- Buyback of shares
- Capitalisation of shares
- Correcting the capital structure
- General corporate purposes, including contingencies
- Any other permitted usage as per the Companies Act, 2013.

#### 7. Manner of dividend payout

##### In case of final dividend:

- Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements.
- The dividend as recommended by the Board shall be approved/ declared at the annual



## BOARD OF DIRECTORS' REPORT



general meeting of the Company.

- The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

### In case of interim dividend:

- Interim dividend, if any, shall be declared by the Board.
- Before declaring interim dividend, the Board shall consider whether the financial position of the Company permits the payment of such dividend.
- The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to those shareholders who are entitled to receive the dividend on the record date, as per the applicable laws.

- In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

### 8. Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

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

sd/-

**Vineet Jain**

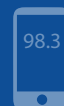
*Chairman*

(DIN: 00003962)

Pune, May 23, 2017



# REPORT ON CORPORATE GOVERNANCE



The core principles of Corporate Governance practices are fairness, transparency, accountability and responsibility. Effective Corporate Governance emphasizes efficiency, accountability and adaptability to the changing environment. Corporate Governance is a process to manage the business affairs of the company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value.

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Pursuant to the provisions of Regulation 34(3) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], a report on Corporate Governance for the financial year ended March 31, 2017 is furnished below:

## 1. Brief statement on the Company's Philosophy on Code of Governance

Your Company's philosophy on Corporate Governance envisages attainment of the highest level of integrity, fairness, transparency, equity and accountability in all the facets of its functioning and in its interactions with shareholders, employees, government, regulatory bodies, listeners and the community at large. Your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings.

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

In compliance with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following policies, codes in accordance with the applicable provisions of the Companies Act, 2013 and Listing Regulations:

- Archival Policy
- Business Responsibility Policy, principles and guidelines
- Code of Conduct, Ethics and Business Principles
- Code of Conduct to regulate, monitor and report trading by employees and other

connected persons

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Nomination and Remuneration Policy
- Policy for determination of materiality
- Policy for determining material subsidiaries
- Policy for preservation of documents
- Policy on diversity of the Board of Directors
- Policy on materiality of related party transactions and Policy on dealing with Related party transactions
- Risk Management Policy
- Whistle-Blower Policy/ Vigil Mechanism

These policies, codes and their effective implementation re-affirm the commitment of the Company towards putting in place the highest standards of Corporate Governance in every sphere of its operations. The Company's philosophy of Corporate Governance is not only compliant with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders.

## 2. Board of Directors

### a) Composition and category of the Board of Directors and number of other board of directors or committees in which a director is a member or chairperson:

The Company believes that an active, well-informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board of Directors of the Company comprises an optimal combination of executive, non-executive and independent directors so as to preserve and maintain the independence of the Board. As on date, the Board of Directors comprises six directors, each being eminent persons with professional experience in varied fields. Brief profile of all the Directors of the Company has been furnished separately in the Annual Report.

In line with the Nomination and Remuneration policy, the Directors are identified based on their qualifications, positive attributes, area of expertise, etc. Appointment of the Directors of the Company is approved by the members at their general meetings.



# REPORT ON CORPORATE GOVERNANCE



Details relating to the composition of the Board of Directors, number of directorships, memberships and chairmanships of the Committees of the Directors of the Company in other public limited companies (as on the date of this report) are as follows:

| Name of the Directors                           | Category                   | As on date of this report   |                       |          |
|-------------------------------------------------|----------------------------|-----------------------------|-----------------------|----------|
|                                                 |                            | No. of other Directorships@ | Committee positions @ |          |
|                                                 |                            |                             | Member                | Chairman |
| <b>Mr. Vineet Jain</b><br>[DIN: 00003962]       | Non- Executive Chairman    | 6                           | 0                     | 0        |
| <b>Mr. N. Kumar</b><br>[DIN: 00007848]          | Independent Non- Executive | 9                           | 2                     | 4        |
| <b>Ms. Punita Lal</b><br>[DIN: 03412604]        | Independent Non- Executive | 3                           | 0                     | 0        |
| <b>Mr. Ravindra Kulkarni</b><br>[DIN: 00059367] | Independent Non- Executive | 5                           | 5                     | 3        |
| <b>Mr. Richard Saldanha</b><br>[DIN: 00189029]  | Independent Non- Executive | 6                           | 5                     | 2        |
| <b>Mr. Prashant Panday</b><br>[DIN: 02747925]   | Managing Director & CEO    | 1                           | 1                     | 0        |

@ For the purpose of considering the number of other directorships and committee positions, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956/ Section 8 of the Companies Act, 2013 have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.

- b) **Attendance of each director** at the meetings of the Board of Directors and Board Committees held during the financial year under review and at the last Annual General Meeting (AGM) is as follows:

| Name of the Directors | Last AGM | For the Financial Year 2016-2017 Attendance at |                         |                                             |                                             |                       |
|-----------------------|----------|------------------------------------------------|-------------------------|---------------------------------------------|---------------------------------------------|-----------------------|
|                       |          | Board Meeting                                  | Audit Committee Meeting | Nomination & Remuneration Committee Meeting | Stakeholders Relationship Committee Meeting | CSR Committee Meeting |
| Mr. Vineet Jain       | Yes      | 5 of 5                                         | N. A.                   | 4 of 4                                      | N. A.                                       | 4 of 4                |
| Mr. B. S. Nagesh #    | Yes      | 3 of 4                                         | 2 of 3                  | N. A.                                       | N. A.                                       | 2 of 3                |
| Mr. N. Kumar          | Yes      | 5 of 5                                         | 4 of 4                  | 4 of 4                                      | N. A.                                       | N. A.                 |
| Ms. Punita Lal        | Yes      | 5 of 5                                         | N.A.                    | N.A.                                        | N.A.                                        | N.A.                  |
| Mr. Ravindra Kulkarni | Yes      | 5 of 5                                         | 4 of 4                  | 4 of 4                                      | 4 of 4                                      | 4 of 4                |
| Mr. Richard Saldanha  | Yes      | 4 of 5                                         | 3 of 4                  | 3 of 4                                      | 3 of 4                                      | N. A.                 |
| Mr. Prashant Panday   | Yes      | 5 of 5                                         | N. A.                   | N. A.                                       | 4 of 4                                      | 4 of 4                |

# Resigned from the Board of Directors effective from the close of the business hours on November 8, 2016; hence, number of Board and Committee Meetings entitled to attend has been mentioned accordingly.

None of the Directors are related with each other or key managerial personnel (*inter-se*) within the meaning of the Listing Regulations.

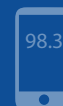
Apart from receiving the director's remuneration, none of the above referred Independent Non- Executive Directors have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its

subsidiaries and associates which may affect their independence.

The Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict with the interest of the Company at large.



# REPORT ON CORPORATE GOVERNANCE



**c) Number of meetings of the Board of Directors held and dates on which held and date of the last AGM held:**

Five Board Meetings were held during the financial year under review, the dates of which were: May 18, 2016; May 19, 2016; August 3, 2016; November 8, 2016 and February 13, 2017.

The Seventeenth Annual General Meeting was held on August 3, 2016.

**d) Disclosure of relationships between directors *inter-se*:** None of the Directors are related with each other or key managerial personnel (*inter-se*) within the meaning of the Listing Regulations.

**e) Number of shares and convertible instruments of the Company held by Non-Executive Directors:** None of the Non-Executive Directors hold any equity share of the Company as on March 31, 2017 and as on the date of this Report.

**f) Weblink where details of familiarization programmes imparted to independent directors is disclosed:** <http://www.enil.co.in/policies-code-of-conduct.php>

**g) Declaration by the Managing Director & Chief Executive Officer under Regulation 34(3) of the Listing Regulations regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.**

**h) A certificate as stipulated under Regulation 17(8) of the Listing Regulations was placed before the Board of Directors.**

**i) In preparation of the financial statements, the applicable accounting standards have duly been followed and there are no material departures.**

### 3. Audit Committee

The Company recognizes that the Audit Committee is indispensable for ensuring accountability amongst the Board of Directors, the Management and the Auditors, who are responsible for sound and transparent financial reporting. The Audit Committee is responsible for overseeing the processes related to financial reporting and information dissemination. It assists the Board of Directors (Board) in its responsibility for overseeing the quality and integrity of accounting,

auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

The constitution, composition, frequency of meetings, terms of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof).

**a) Brief description of terms of reference *inter alia* includes:**

- to recommend to the Board of Directors (Board) all appointments, including the filling of a casual vacancy of an auditor under Section 139 of the Companies Act, 2013
- to approve other services which auditors can provide to the Company
- to recommend the appointment, remuneration and terms of appointment of auditors of the Company
- to review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statement and the auditors' report thereon
- approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transactions
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the Company, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- monitoring the end use of funds raised through public offers and related matters
- may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the



# REPORT ON CORPORATE GOVERNANCE

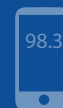


auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company

- authority to investigate into any matter in relation to aforesaid items or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company
- oversee the vigil mechanism and to ensure that the vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases and in case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand
- to formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor
- to take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor and whether such qualifications and experience are commensurate with the size and requirements of the Company, provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court
- may call for such other information from the proposed auditor as it may deem fit
- to recommend the name of an individual or a firm as auditor to the Board for consideration
- to recommend appointment of cost auditor and their remuneration
- to appoint registered valuers as prescribed under the Companies Act, 2013
- may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee
- Oversight 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
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 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 to be included 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



# REPORT ON CORPORATE GOVERNANCE



- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- 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
- Discussion with internal auditors of any significant findings and follow up there on
- 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
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to

ascertain any area of concern

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the whistle blower/ vigil mechanism
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- Monitoring and review of the statement of deviation(s) or variation(s) as per Regulation 32 of the Listing Regulations
- carrying out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the chief internal auditor
- statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms



# REPORT ON CORPORATE GOVERNANCE



of Regulation 32(1).

- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- Financial statements, in particular, the investments made by the unlisted subsidiary

#### **Powers of Audit Committee *inter alia* includes:**

- to investigate any activity within its terms of reference
- to seek information from any employee
- to obtain outside legal or other professional advice
- to secure attendance of outsiders with relevant expertise, if it considers necessary

#### **b) Composition, names of members and chairperson:**

The Audit Committee comprises of the following Directors as on date of the Report:

- Mr. N. Kumar – Chairman (Independent Non- Executive Director)
- Mr. Ravindra Kulkarni (Independent Non- Executive Director)
- Mr. Richard Saldanha (Independent Non- Executive Director)

Mr. B. S. Nagesh – member of the Committee resigned effective from the close of the business hours on November 8, 2016.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Company Secretary acts as the Secretary of the Audit Committee.

#### **c) Meetings and attendance during the year:**

During the financial year under review, the Audit Committee met four times, i.e. on May 19, 2016; August 2, 2016; November 8, 2016; and February 13, 2017. Details of attendance are

furnished at Para (2) (b) ('Board of Directors') of this report.

#### **4. Nomination and Remuneration Committee**

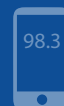
In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been adopted by the Board of Directors. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof).

##### **a) Brief description of terms of reference *inter alia* includes:**

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and to carry out evaluation of every director's performance
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- while formulating the policy as aforesaid, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and



# REPORT ON CORPORATE GOVERNANCE



c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's report.

- to approve the payment of remuneration as prescribed under Schedule V of the Companies Act, 2013
- to determine, review and recommend to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time / Executive Director(s), including all elements of remuneration package
- to determine, review and recommend to the Board, the remuneration of the Company's top executives who are one level below the managing/ joint managing/ executive director(s)
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/ regulatory guidelines
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors
- Devising a policy on diversity of the Board of Directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board

their appointment and removal

- whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent director
- Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders
- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities

## b) Composition, names of members and chairperson:

Nomination and Remuneration Committee comprises of the following Directors as on date of the Report:

- Mr. N. Kumar – Chairman (Independent Non-Executive Director)
- Mr. Ravindra Kulkarni (Independent Non-Executive Director)
- Mr. Richard Saldanha (Independent Non-Executive Director)
- Mr. Vineet Jain (Non-Executive Director)

## c) Meetings and attendance during the year:

During the financial year under review, the Committee met four times, i.e. on May 19, 2016; August 2, 2016; November 8, 2016; and February 13, 2017. Details of attendance are furnished at Para (2) (b) ("Board of Directors") of this report.

## d) Performance evaluation criteria for independent directors:

The remuneration policy followed by the Company rewards people based on criteria such as the responsibilities shouldered by the person, his/ her academic and experience profile, his/ her performance



# REPORT ON CORPORATE GOVERNANCE



vis-à-vis set Key Result Areas (KRAs), the financial results of the Company and industry benchmarks. Through its remuneration policy, the Company endeavors to attract, retain, develop and motivate its highly skilled and dedicated workforce. The Company follows a compensation mix of fixed pay and performance based pay. The Nomination & Remuneration Policy, which also covers the performance evaluation criteria is appended as Annexure A to the Board of Directors' Report.

## 5. Remuneration of Directors

### a) Pecuniary relationship or transactions of the non – executive directors vis-à-vis the Company:

During the financial year under review, the Company has paid ₹ 33.03 lakhs as fees for professional services to Khaitan & Co., a firm in which the Company's Director, Mr. Ravindra Kulkarni is a partner. However the association of Khaitan & Co. cannot be said to be a material association as the fees paid by the Company to Khaitan & Co. were less than 1% of the total professional fees earned by the Khaitan & Co. during the financial year financial year 2016-17. There were no other pecuniary relationships or transactions of Non-Executive

Directors vis-à-vis the Company.

### b) Criteria for making payments to Non-Executive Directors:

Independent Directors of the Company have been paid sitting fees of ₹ 20,000/- (Rupees twenty thousand only) per meeting during the financial year under review, subject to deduction of applicable taxes, levies, etc., if any, for attending;

- Meeting of the Board of Directors;
- Meeting of the Audit Committee;
- Meeting of the Corporate Social Responsibility Committee; and
- Meeting of the Nomination and Remuneration Committee.

Profit related commission amount has been provided for the financial year 2016-2017 based on the time and contribution committed by the independent board members.

The remuneration structure is in line with the practices followed by similar sized companies, keeping in view the role, responsibilities and contribution of the non- executive directors read with the Company's Nomination and Remuneration Policy as annexed to the Board of Directors' Report.

### c) Disclosures with respect to remuneration:

Details of sitting fees and commission for the financial year 2016-2017:

(₹ in lakhs)

| Name of the Non-Executive Directors | Sitting Fees for FY 2016-2017 | Profit related Commission for FY 2016-2017 |
|-------------------------------------|-------------------------------|--------------------------------------------|
| Mr. Vineet Jain @                   | Nil                           | Nil                                        |
| Mr. B. S. Nagesh *                  | 1.40                          | 3.75                                       |
| Mr. N. Kumar *                      | 2.60                          | 6.25                                       |
| Mr. Ravindra Kulkarni *             | 3.40                          | 6.25                                       |
| Ms. Punita Lal #                    | 1.00                          | 6.25                                       |
| Mr. Richard Saldanha *              | 2.00                          | 5.00                                       |

@ liable to retire by rotation

\* Appointed for a term of five consecutive years commencing from August 12, 2014

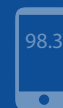
# Appointed for a term of five consecutive years commencing from March 28, 2016

Independent Directors are not liable to retire by rotation under the Companies Act, 2013.

During the financial year under review, the Company does not have any scheme for grant of stock options.



# REPORT ON CORPORATE GOVERNANCE



Details of remuneration paid to Mr. Prashant Panday, Managing Director & CEO during the year 2016-2017 are given below:

| Particulars  | (₹ in lakhs)  |
|--------------|---------------|
| Salary       | 326.23        |
| Benefits *   | 8.09          |
| Perquisites  | 0.14          |
| <b>Total</b> | <b>334.46</b> |

\* Company's contribution to provident fund of ₹ 8.09 lakhs.

## Notes:

- Present term of appointment of Mr. Prashant Panday is for a period of five years with effect from July 1, 2016 till June 30, 2021 on various terms and conditions including remuneration as approved by the members at their meeting held on August 3, 2016.
- Appointment, terms, conditions and payment of remuneration to the Managing/ Whole-time Director is governed by the resolution(s) passed by the Nomination and Remuneration Committee, Board of Directors and Members of the Company and approval from the Central Government, if and to the extent applicable and required. The remuneration structure comprises salary, incentive, allowances, perquisites, bonus, profit related commission, deferred cash incentive, performance based remuneration, contribution to provident fund, pension scheme, national pension scheme, annuity fund, superannuation fund, etc.
- The aforesaid appointment may be terminated by either party by giving to other party not less than three months' prior notice in writing of such termination or payment in lieu of notice.
- Mr. Prashant Panday is holding 21900 equity shares of the Company as on the date of this Report.
- The Company does not have any scheme for grant of stock options to the employees or directors of the Company.
- Mr. Prashant Panday does not receive any remuneration or commission from

the Company's holding or subsidiary company.

- His period of office shall be liable to determination by retirement of directors by rotation.

## 6. Stakeholders Relationship Committee

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof).

### a) Name of the non-executive director heading the Committee:

The Committee is headed by the Independent Non- Executive Director and comprises of the following Directors as on the date of this Report:

- Mr. Richard Saldanha – Chairman (Independent Non- Executive Director)
- Mr. Ravindra Kulkarni – (Independent Non- Executive Director)
- Mr. Prashant Panday– (Managing Director & CEO)

### b) Name and designation of Compliance Officer:

Mr. Mehul Shah, SVP - Compliance & Company Secretary is the Compliance Officer of the Company.  
(e-mail ID: mehul.shah@timesgroup.com)

### c) Details of the shareholders' complaints:

|                                                                                                                                                                                                            |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Number of shareholders' complaints/ queries, etc. received during the financial year 2016-2017                                                                                                             | 22 |
| Number of complaints/ queries, etc. not resolved to the satisfaction of shareholders as on March 31, 2017                                                                                                  | 0  |
| No. of pending complaints/ queries, etc. (The complaints/ queries have been resolved in consonance with the applicable provisions of the relevant rules/ regulations and acts for the time being in force) | 0  |



# REPORT ON CORPORATE GOVERNANCE



## d) Brief description of terms of reference *inter alia* includes:

- to consider and resolve the grievances of security holders of the Company
- to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders
- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities
- to issue the duplicate share certificate(s) and supervise the process
- to supervise the process relating to consider re-materialization / de-materialization requests
- to oversee the performance of the

Company's registrar & share transfer agents

- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
- to make recommendations to improve service levels for stakeholders
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/regulatory authorities

## e) Meetings during the year:

During the financial year under review, the Committee met four times, i.e. on May 19, 2016; August 2, 2016; November 8, 2016; and February 13, 2017. Details of attendance are furnished at Para (2) (b) ('Board of Directors') of this report.

## 7. General Body Meetings

### a) Annual General Meetings:

Details of the location and time, where last three Annual General Meetings (AGMs) held and the special resolutions passed thereat are as follows:

| Year, date and time                                                   | Location                                                                                                                           | Special Resolution(s) passed                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FY 2015-2016<br>Seventeenth AGM held on August 3, 2016 at 3.00 p.m.   | Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018                                           | <ul style="list-style-type: none"> <li>▪ To approve the re-appointment and relevant terms and conditions thereof including remuneration payable to Mr. Prashant Panday, Managing Director &amp; CEO of the Company for a period of five years with effect from July 1, 2016 till June 30, 2021.</li> <li>▪ To enable payment of profit related commission / remuneration to non-executive directors of the Company pursuant to Section 197 of the Companies Act, 2013.</li> </ul> |
| FY 2014-2015<br>Sixteenth AGM held on September 14, 2015 at 3.00 p.m. | Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Near Siddhivinayak Temple, Prabhadevi, Mumbai-400025 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| FY 2013-2014<br>Fifteenth AGM held on August 12, 2014 at 3.00 p.m.    | Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai-400 020.                                                                     | To approve the change in the designation of Mr. Prashant Panday (DIN: 02747925) from 'Executive Director & Chief Executive Officer' to 'Managing Director & Chief Executive Officer' with effect from May 23, 2014.                                                                                                                                                                                                                                                               |

# REPORT ON CORPORATE GOVERNANCE

## b) Resolutions passed through Postal Ballot:

During the financial year under review, below stated ordinary resolution was passed through postal ballot voting process on January 23, 2017.

| Sr. No. | Type of Resolution  | Brief particulars                                                                       |
|---------|---------------------|-----------------------------------------------------------------------------------------|
| 1       | Ordinary Resolution | Regarding approval of the material related party transactions with the holding company. |

### Details of voting pattern:

| Ordinary Resolution No. | Ballots Received | Total Shares | Favour  |         | Against |       | Invalid |       |
|-------------------------|------------------|--------------|---------|---------|---------|-------|---------|-------|
|                         |                  |              | Ballots | Votes   | Ballots | Votes | Ballots | Votes |
| 1                       | 79               | 9057457      | 72      | 8932269 | 2       | 75007 | 5       | 50181 |

## c) Person who conducted the aforesaid postal ballot exercise:

Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No: F3477), (Scrutinizer) conducted the aforesaid Postal Ballot voting process (including e-voting) in a fair and transparent manner.

## d) Whether any special resolution is proposed to be conducted through postal ballot: No.

## e) Procedure for postal ballot:

Pursuant to Section 110 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time) read with the Listing Regulations, the Company had provided to its members the facility to cast their votes by way of postal ballot process (including e-voting) on the resolution as stated above. The Company had appointed Karvy Computershare Private Limited for facilitating e-voting.

Postal Ballot Notice, Postal Ballot Form and results of the Postal Ballot Voting were uploaded on the Company's website: [www.enil.co.in](http://www.enil.co.in) at url: <http://www.enil.co.in/postal-ballot.php>.

## 8. Means of Communication

### a) Quarterly results:

Quarterly/ Half yearly/ Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the Listing Regulations

requirements and are published in the newspapers. The financial results are also displayed on the Company's website i.e. [www.enil.co.in](http://www.enil.co.in)

## b) Newspapers wherein results normally published:

Financial Express (English) and Loksatta (Marathi, the regional language).

## c) Any Website, where displayed : [www.enil.co.in](http://www.enil.co.in)

## d) Whether Website also displays official news releases:

The Company has maintained a functional website [[www.enil.co.in](http://www.enil.co.in)] 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.

## e) Presentations made to institutional investors or to the analysts:

The presentations made to institutional investors/ analysts are posted on the Company's website i.e. [www.enil.co.in](http://www.enil.co.in)

## 9. General Shareholder Information

### a) Annual General Meeting (AGM):

Day, Date : Wednesday, August 30, 2017;  
and time 3.00 p.m.  
Venue : Hall of Culture, Ground Floor,  
Nehru Centre,  
Dr. Annie Besant Road,  
Worli, Mumbai - 400018.



# REPORT ON CORPORATE GOVERNANCE



b) **Financial year** : April 1, 2016 to March 31, 2017.

c) **Dividend Payment Date** : The Dividend, if declared at the AGM, would be paid/ dispatched on / after August 31, 2017 and within thirty days from the date of declaration of dividend. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 24, 2017 to Wednesday, August 30, 2017, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for dividend on equity shares, if declared at the AGM.

d) **Name and address of stock exchanges at which the Company's securities are listed:** The Company's shares are listed on the BSE- Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai - 400 001 and NSE- Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. The Company has paid the applicable annual listing fees for the financial year 2017-18 to BSE and NSE.

e) **Stock code :**

|                             |              |
|-----------------------------|--------------|
| BSE Scrip Code              | 532700       |
| NSE Trading Symbol          | ENIL         |
| ISIN Number for NSDL & CDSL | INE265F01028 |

f) **Market Price Data: High, Low during each month in last financial year\***

The performance of the equity shares of the Company on BSE and NSE depicting the liquidity of the Company's equity shares for the financial year ended on March 31, 2017, on the said exchanges, is as follows:

## Stock Market data – BSE

| Month        | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of shares | Total Turnover (₹ in lakhs) |
|--------------|----------------|----------------|---------------|-----------------|---------------|-----------------------------|
| April-16     | 785.00         | 785.00         | 652.00        | 696.45          | 226284        | 1,615.31                    |
| May-16       | 696.00         | 765.00         | 663.00        | 756.95          | 19089         | 132.89                      |
| June-16      | 765.00         | 770.00         | 710.00        | 751.25          | 8695          | 64.28                       |
| July-16      | 765.00         | 780.00         | 702.00        | 712.25          | 8500          | 62.63                       |
| August-16    | 716.00         | 785.00         | 690.90        | 770.15          | 35182         | 252.46                      |
| September-16 | 770.00         | 880.00         | 733.00        | 865.30          | 24768         | 199.84                      |
| October-16   | 885.00         | 907.95         | 775.05        | 792.60          | 60889         | 532.07                      |
| November-16  | 793.10         | 794.00         | 667.00        | 727.50          | 396932        | 2,910.11                    |
| December-16  | 740.00         | 830.00         | 690.00        | 812.00          | 56517         | 422.09                      |
| January-17   | 820.00         | 834.95         | 740.00        | 778.00          | 256488        | 1,928.79                    |
| February-17  | 777.00         | 834.85         | 767.40        | 826.90          | 65404         | 512.08                      |
| March-17     | 833.00         | 870.00         | 770.00        | 834.40          | 88872         | 732.62                      |

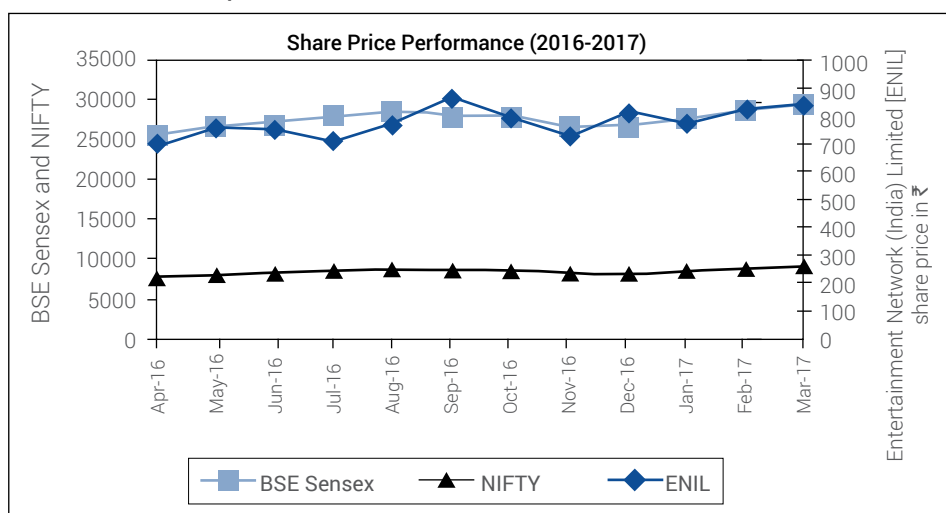
## Stock Market data – NSE

| Month        | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of Shares | Total Turnover (₹ in lakhs) |
|--------------|----------------|----------------|---------------|-----------------|---------------|-----------------------------|
| April-16     | 788.00         | 790.00         | 652.80        | 699.85          | 196094        | 1,371.93                    |
| May-16       | 706.00         | 772.00         | 660.00        | 759.95          | 87837         | 618.11                      |
| June-16      | 765.00         | 774.90         | 700.50        | 754.60          | 40670         | 302.66                      |
| July-16      | 758.00         | 779.00         | 702.30        | 715.75          | 69199         | 509.79                      |
| August-16    | 724.00         | 785.00         | 691.00        | 778.15          | 108364        | 777.42                      |
| September-16 | 783.20         | 880.00         | 735.10        | 872.70          | 334929        | 2,688.31                    |
| October-16   | 880.00         | 905.00         | 778.00        | 785.50          | 151017        | 1,242.29                    |
| November-16  | 778.00         | 809.00         | 677.15        | 728.50          | 672369        | 4,848.03                    |
| December-16  | 723.45         | 833.90         | 690.00        | 819.25          | 99997         | 752.21                      |
| January-17   | 830.00         | 830.00         | 742.00        | 786.10          | 454299        | 3,442.65                    |
| February-17  | 778.00         | 840.00         | 765.00        | 828.20          | 142397        | 1,155.61                    |
| March-17     | 821.80         | 872.95         | 785.55        | 839.00          | 272802        | 2,266.33                    |

\*(Source: This information is compiled from the data available on the website of BSE and NSE)

# REPORT ON CORPORATE GOVERNANCE

## g) Performance in comparison to broad-based indices:



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

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

## i) Registrar and Share Transfer Agents (R & TA):

Karvy Computershare Private Limited, Unit: Entertainment Network (India) Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032. Phone : 040-67162222; Fax : 040-23001153; Toll Free no.: 1800-345-4001.

## j) Share Transfer System:

Pursuant to the Listing Regulations, the Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged for transfer, transmission, etc. are normally processed within the stipulated time as specified under the Listing Regulations and other applicable provisions of the Companies Act, 2013. The Company has duly obtained certificates on half yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under Regulation 40 of the Listing Regulations and submitted a copy of the certificate to the Stock Exchanges where the securities of the Company are listed.

## k) Distribution of shareholding as on March 31, 2017:

| Category       | No. of Members | % of Members  | Total Shares    | % of shares   |
|----------------|----------------|---------------|-----------------|---------------|
| 1-5000         | 11912          | 94.36         | 664940          | 1.39          |
| 5001- 10000    | 394            | 3.12          | 337142          | 0.71          |
| 10001- 20000   | 142            | 1.12          | 223819          | 0.47          |
| 20001- 30000   | 56             | 0.44          | 143338          | 0.30          |
| 30001- 40000   | 24             | 0.19          | 82921           | 0.17          |
| 40001- 50000   | 23             | 0.18          | 108834          | 0.23          |
| 50001- 100000  | 22             | 0.17          | 162546          | 0.34          |
| 100001 & Above | 51             | 0.40          | 45946875        | 96.38         |
| <b>Total</b>   | <b>12624</b>   | <b>100.00</b> | <b>47670415</b> | <b>100.00</b> |



# REPORT ON CORPORATE GOVERNANCE



## Shareholding pattern of the Company (as on March 31, 2017):

| Category code | Category of shareholder                                                                 | Number of shareholders | Total Number of shares | Total shareholding as a percentage of total number of shares |
|---------------|-----------------------------------------------------------------------------------------|------------------------|------------------------|--------------------------------------------------------------|
| (A)           | <b>Shareholding of Promoter and Promoter Group</b>                                      |                        |                        |                                                              |
| (1)           | Indian (Bodies Corporate) *                                                             | 2                      | 33918400               | 71.15                                                        |
| (2)           | Foreign                                                                                 | 0                      | 0                      | 0                                                            |
|               | <b>Total Shareholding of Promoter and Promoter Group</b>                                | <b>2</b>               | <b>33918400</b>        | <b>71.15</b>                                                 |
| (B)           | <b>Public shareholding</b>                                                              |                        |                        |                                                              |
| (1)           | Institutions                                                                            | 41                     | 8901919                | 18.68                                                        |
| (2)           | Non-institutions                                                                        | 12683                  | 4850096                | 10.17                                                        |
|               | <b>Total Public Shareholding</b>                                                        | <b>12724</b>           | <b>13752015</b>        | <b>28.85</b>                                                 |
| (C)           | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> | <b>0</b>               | <b>0</b>               | <b>0.00</b>                                                  |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>                                                          | <b>12726</b>           | <b>47670415</b>        | <b>100.00</b>                                                |

\* The Indian Promoter Group comprises of Bennett, Coleman and Company Limited.

As on March 31, 2017 and as on the date of this report, none of the Promoter or Promoter's Group of the Company have pledged any shares of the Company.

Securities and Exchange Board of India. The trading / liquidity details are given in para (f) hereinbefore.

### l) Dematerialization of shares and liquidity:

99.99% of the paid up equity share capital of the Company is in dematerialized form as on March 31, 2017. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by

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

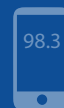
n) **Commodity price risk or foreign exchange risk and hedging activities**: Not applicable.

### o) Location of Studios:

|     |            |                                                                                                                                                      |
|-----|------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Ahmedabad  | The Times of India Press Premises, Vejalpur, Ahmedabad - 380015.                                                                                     |
| 2.  | Amritsar   | Signature Tower, 6 <sup>th</sup> Floor, SCO No. 93, Amritsar Dist. Shopping Complex, Ranjit Avenue, Near Passport Office, Amritsar, Punjab - 143001. |
| 3.  | Aurangabad | # F8, 9, 10, 5 <sup>th</sup> floor, Aurangabad Business Centre Adalat Road, Opp. Session court, Aurangabad – 431005.                                 |
| 4.  | Bangalore  | #39/2, 3 <sup>rd</sup> Floor, Sagar Building, Bannerghatta Road, Bangalore-560029.                                                                   |
| 5.  | Bhopal     | 2 <sup>nd</sup> Floor, C P Square, 2 Malviya Nagar, Opp. Raj Bhawan, Bhopal - 462003.                                                                |
| 6.  | Chandigarh | Plot No 149, 3 <sup>rd</sup> Floor, Industrial Area Phase – 1, Chandigarh – 160002.                                                                  |
| 7.  | Chennai    | No.453, 6 <sup>th</sup> & 7 <sup>th</sup> Floor, Fathima Akhtar Court, Anna Salai, Teynampet, Chennai – 600018.                                      |
| 8.  | Coimbatore | 1547, 8 <sup>th</sup> Floor, Classic Towers, Trichy Road, Coimbatore - 641018.                                                                       |
| 9.  | Delhi      | Times Center, Plot No. 6, 3 <sup>rd</sup> Floor, Sector 16A, Film City, Noida, Uttar Pradesh-201301.                                                 |
| 10. | Guwahati   | N K Production (Digi Music) Studio, Senduri Ali Path, Opp. SBI ATM, Jonali, RGB Road, Guwahati - 781024.                                             |
| 11. | Hyderabad  | Office No. 909-910, Manjeera Trinity, K P H B Phase 3, Kukatpally, Hyderabad, Telangana 500072.                                                      |
| 12. | Indore     | 9 <sup>th</sup> Floor, Industry House, 15 A.B. Road, Indore-452001.                                                                                  |
| 13. | Jabalpur   | 2 <sup>nd</sup> Floor, Parvati Plaza, 89 BCD, Scheme No.5, Vijay Nagar, Jabalpur-482002.                                                             |
| 14. | Jaipur     | 6 <sup>th</sup> Floor, Prestige Tower, Amrapali Road, Amrapali Circle, Vaishali Nagar, Jaipur - 302021.                                              |
| 15. | Jalandhar  | 6 <sup>th</sup> Floor, Shakti Towers, Adjoining Swani Motors, GT Road, Near BMC Chowk, Jalandhar-144001.                                             |
| 16. | Jodhpur    | Man Meera Tower, Akhali Circle, Chopasni Road, Jodhpur-342001.                                                                                       |
| 17. | Kanpur     | 6 <sup>th</sup> Floor, Kan Chambers, 14/113, Civil Lines, Kanpur - 208001.                                                                           |



# REPORT ON CORPORATE GOVERNANCE



|     |               |                                                                                                                                                                                                       |
|-----|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18. | Kochi         | 2 <sup>nd</sup> Floor, Transasia Corporate Park, Chittethukara, Kakkanad, Ernakulam, Kerala - 682037.                                                                                                 |
| 19. | Kolhapur      | 517/2 E, Gamestone, 1 <sup>st</sup> Floor, R D Vichare Complex, Near Central S.T. Stand, Opp. R.L. Jewelers, Kolhapur-416001.                                                                         |
| 20. | Kolkatta      | Shantiniketan Building, 8, Camac Street, 13 <sup>th</sup> Floor, Kolkatta - 700017.                                                                                                                   |
| 21. | Lucknow       | 6 <sup>th</sup> floor, Shalimar Tower, Vibhuti Khand, Gomti Nagar Lucknow - 226010.                                                                                                                   |
| 22. | Madurai       | 2 <sup>nd</sup> Floor, Natraj Complex, Opp. New District Court, 128, Melur Road, K. K. Nagar, Madurai-625020.                                                                                         |
| 23. | Mangalore     | Inland Ornate, #206, 2 <sup>nd</sup> Floor, Navbharath Circle, Mangalore - 575003.                                                                                                                    |
| 24. | Mumbai        | 4 <sup>th</sup> Floor, A-Wing Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai-400013.                                                                                                 |
| 25. | Nagpur        | 2 <sup>nd</sup> Floor, Narang Towers, 27 Palm Road, Civil Lines, Nagpur - 440001.                                                                                                                     |
| 26. | Nashik        | 3 <sup>rd</sup> Floor, United Legend, Plot no. # 1, Serial # 733/1/2, Opp. Parijat Nagar Bus Stop, Nashik - 422005.                                                                                   |
| 27. | Panjim Goa    | 1 <sup>st</sup> Floor Above Times of India Office, Vivenda de Hassan Building, Dayanand Bandodkar Marg, Miramar, Panjim - 403001, Goa. (Note: Discontinued the operation effective from May 22, 2017) |
| 28. | Patna         | 4 <sup>th</sup> Floor, Lakshmi Apartment, Times of India Building, Frazer Road, Patna - 800 001.                                                                                                      |
| 29. | Patiala       | All India Radio, Private FM Broadcasters, Entertainment Network India Ltd (Radio Mirchi), Urban Estate, Phase - 3, Patiala - 147002.                                                                  |
| 30. | Pune          | 10 <sup>th</sup> Floor, The Business Plaza, Koregaon Park Annex, Adj. Hotel Westinn, Mundwa Road, Ghorpadi, Pune 411001.                                                                              |
| 31. | Raipur        | 1 <sup>st</sup> Floor, Chawla Towers, Shankar Nagar, Near Bottle House, Raipur, Chhattisgarh -492007.                                                                                                 |
| 32. | Rajkot        | Property No.23-24/P, Radhika House, 3 <sup>rd</sup> Floor, Near Kinnari Flats, Opp. Princess School, Kalawad Road, Rajkot - 360007.                                                                   |
| 33. | Shillong      | 2 <sup>nd</sup> Floor, Hariketi Building, Lummawrie, Laitumkhrach, Shillong - 793003.                                                                                                                 |
| 34. | Shimla        | FM CTI Building, Doordarshan Kendra, Choura Maidan Shimla, HP, 171004.                                                                                                                                |
| 35. | Surat         | 601 - A International Trade Centre, Majura Gate Crossing, Ring Road, Surat - 395 002.                                                                                                                 |
| 36. | Trivandrum    | 3 <sup>rd</sup> Floor, Andoor Buildings, General Hospital Road, Trivandrum - 695035.                                                                                                                  |
| 37. | Vadodara      | Property No. 1001/1002, 10 <sup>th</sup> Floor, Gunjan Tower, Off. Alembic Gorwa Road, Subhanpura, Vadodara - 390 023.                                                                                |
| 38. | Varanasi      | 2 <sup>nd</sup> Floor, Unit # 201-A & 204, RH Tower, The Mall, Cantt, Varanasi - 221002.                                                                                                              |
| 39. | Vijayawada    | 4 <sup>th</sup> Floor, Matha Towers, Bishop House, Door No.59 A1-7, Vijayawada - 520008.                                                                                                              |
| 40. | Visakhapatnam | 4 <sup>th</sup> Floor, ELBEE Classic, D No: 49-24-55, Shankarmatam Road, Visakhapatnam - 530016.                                                                                                      |

## p) Address for correspondence:

### Investor Correspondence:

#### a) For share transfer / dematerialisation of shares / other queries relating to the securities:

Karvy Computershare Private Limited,  
Unit: Entertainment Network (India) Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032.  
Phone: 040-67162222; Fax: 040-23001153; Toll Free no.: 1800-345-4001.

#### b) For queries on Annual Report or investors' assistance:

Mr. Mehul Shah, SVP - Compliance & Company Secretary,

Trade Gardens, Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.  
Ph: 022 - 67536983.

Investors can register their complaints/

grievances at the Company's e-mail id:

[enil.investors@timesgroup.com](mailto:enil.investors@timesgroup.com)

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. [www.enil.co.in](http://www.enil.co.in).

## 10. Other Disclosures

### a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

During the financial year under review, there were no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are entered into based on business exigencies such as synergy in operations, profitability, market share enhancement etc. and are intended to further



# REPORT ON CORPORATE GOVERNANCE



the Company's interests.

Details of the *Material Related Party Transactions*, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, entered during the year by the Company is attached as *Annexure G* to the Board of Directors' Report in the Form AOC 2, as required under Section 134(3) (h) of the Act. The said transactions were entered into in the ordinary course of business and were at an arm's length basis.

**b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

**c) 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.

**d) 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.

**e) Web link where policy for determining 'material' subsidiaries is disclosed:**

<http://www.enil.co.in/policies-code-of-conduct.php>

**f) Web link where policy on dealing with related party transactions:**

<http://www.enil.co.in/policies-code-of-conduct.php>

**g) Disclosure of commodity price risks and commodity hedging activities:**

Not applicable.

**h) Risk Management:**

The Company has adopted Risk Management Policy pursuant to the provisions of Section 134 and all other applicable provisions of the Companies Act, 2013 and Listing Regulations. The Company has a strong Enterprise Risk Management framework which is administered by the Senior Management team. This team periodically reviews the risk events that could affect the Company and initiates appropriate mitigation procedures and also reviews the progress made with respect to the mitigation plans and the effectiveness of the same in addressing the relevant risk. The Company has procedures in place to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework. The Company's internal control systems are commensurate with the nature and size of its business. These are tested and reported by the Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

**i) Reconciliation of Share Capital Audit:**

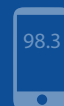
A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with National Securities Depository Limited [NSDL], Central Depository Services (India) Limited [CDSL] and equity shares held in physical form and the total issued and listed equity share capital. The Audit Report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The equity shares of the Company are listed on BSE and NSE.

**11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed**

The Company has complied with the requirements



# REPORT ON CORPORATE GOVERNANCE



of corporate governance report of Para C; sub paras (2) to (10) of the Schedule V of the Listing Regulations.

## 12. Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations

### 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 are displayed on the website of the Company i.e. [www.enil.co.in](http://www.enil.co.in).

### c) Modified opinion(s) in audit report:

The Company is in the regime of financial statements with unmodified audit opinion.

### d) Separate posts of Chairman and CEO:

The Board of Directors of the Company comprises of the Non- Executive Chairman and also Managing Director & CEO. Both the posts are separate.

### e) Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

## 13. Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub - regulation (2) of regulation 46

The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub - regulation (2) of regulation 46.

| Particulars                                                                                                       | Regulation Number       | Compliance status (Yes/No/NA) |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------|
| Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)        | Yes                           |
| Board composition                                                                                                 | 17(1)                   | Yes                           |
| Meeting of Board of directors                                                                                     | 17(2)                   | Yes                           |
| Review of Compliance Reports                                                                                      | 17(3)                   | Yes                           |
| Plans for orderly succession for appointments                                                                     | 17(4)                   | Yes                           |
| Code of Conduct                                                                                                   | 17(5)                   | Yes                           |
| Fees/compensation                                                                                                 | 17(6)                   | Yes                           |
| Minimum Information                                                                                               | 17(7)                   | Yes                           |
| Compliance Certificate                                                                                            | 17(8)                   | Yes                           |
| Risk Assessment & Management                                                                                      | 17(9)                   | Yes                           |
| Performance Evaluation of Independent Directors                                                                   | 17(10)                  | Yes                           |
| Composition of Audit Committee                                                                                    | 18(1)                   | Yes                           |
| Meeting of Audit Committee                                                                                        | 18(2)                   | Yes                           |
| Composition of nomination & remuneration committee                                                                | 19(1) & (2)             | Yes                           |
| Composition of Stakeholder Relationship Committee                                                                 | 20(1) & (2)             | Yes                           |
| Composition and role of risk management committee                                                                 | 21(1),(2),(3),(4)       | Not Applicable                |
| Vigil Mechanism                                                                                                   | 22                      | Yes                           |
| Policy for related party Transaction                                                                              | 23(1),(5),(6),(7) & (8) | Yes                           |
| Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2), (3)              | Yes                           |
| Approval for material related party transactions                                                                  | 23(4)                   | Yes                           |
| Composition of Board of Directors of unlisted material Subsidiary                                                 | 24(1)                   | Not Applicable                |
| Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2),(3),(4),(5) & (6) | Yes                           |



# REPORT ON CORPORATE GOVERNANCE



| Particulars                                                                                                       | Regulation Number | Compliance status<br>(Yes/No/NA) |
|-------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------|
| Maximum Directorship & Tenure                                                                                     | 25(1) & (2)       | Yes                              |
| Meeting of independent directors                                                                                  | 25(3) & (4)       | Yes                              |
| Familiarization of independent directors                                                                          | 25(7)             | Yes                              |
| Memberships in Committees                                                                                         | 26(1)             | Yes                              |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3)             | Yes                              |
| Disclosure of Shareholding by Non- Executive Directors                                                            | 26(4)             | Yes                              |
| Policy with respect to Obligations of directors and senior management                                             | 26(2) & 26(5)     | Yes                              |
| Other corporate governance requirements                                                                           | 27                | Yes                              |

## Disclosure on website in terms of Listing Regulations:

| Item                                                                                                                                    | Compliance status<br>(Yes/ No/ NA) |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Details of business                                                                                                                     | Yes                                |
| Terms and conditions of appointment of independent directors                                                                            | Yes                                |
| Composition of various committees of board of directors                                                                                 | Yes                                |
| Code of conduct of board of directors and senior management personnel                                                                   | Yes                                |
| Details of establishment of vigil mechanism/ Whistle Blower policy                                                                      | Yes                                |
| Criteria of making payments to non-executive directors                                                                                  | Yes                                |
| Policy on dealing with related party transactions                                                                                       | Yes                                |
| Policy for determining 'material' subsidiaries                                                                                          | Yes                                |
| Details of familiarization programmes imparted to independent directors                                                                 | Yes                                |
| Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances | Yes                                |
| email address for grievance redressal and other relevant details                                                                        | Yes                                |
| Financial results                                                                                                                       | Yes                                |
| Shareholding pattern                                                                                                                    | Yes                                |
| Details of agreements entered into with the media companies and/or their associates                                                     | Not Applicable                     |
| New name and the old name of the listed entity                                                                                          | Not Applicable                     |

For and on behalf of the Board of Directors

sd/-

Vineet Jain

Chairman

(DIN: 00003962)

Pune, May 23, 2017

### Registered Office:

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.

[www.enil.co.in](http://www.enil.co.in)



## CEO & CFO Certificate

### The Board of Directors

#### Entertainment Network (India) Limited

In terms of the Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], we, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2016-2017 and that to the best of our knowledge and belief :
  - 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2016-2017 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. 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 Company pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee:
  - 1) That there are no significant changes in internal control over financial reporting during the financial year 2016-2017;
  - 2) That there are no significant changes in accounting policies during the financial year 2016-2017; and
  - 3) That there are no instances of significant fraud of which we have become aware.

sd/-

**Prashant Panday**  
Managing Director & CEO  
(DIN: 02747925)

Pune, May 23, 2017

sd/-

**N. Subramanian**  
Group CFO

## DECLARATION BY THE CEO UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT

To the best of our knowledge and belief, this is to affirm and declare, on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a Code of Conduct, Ethics and Business Principles for all Board members and Senior Management of the Company ['the Code of Conduct'];
- The Code of conduct has been posted on the website of the Company;
- All the Board Members and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2017.

**For and on behalf of the Board of Directors and Senior Management Personnel**

sd/-

**Prashant Panday**  
Managing Director & CEO  
(DIN: 02747925)

Pune, May 23, 2017



# REPORT ON CORPORATE GOVERNANCE



## COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of ENTERTAINMENT NETWORK (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] by **ENTERTAINMENT NETWORK (INDIA) LIMITED** ("the Company") for the financial year ended March 31, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

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

For **Hemanshu Kapadia & Associates**  
Practicing Company Secretaries

sd/-

**Hemanshu Kapadia**  
Proprietor

C.P. No. 2285

Membership No.: F3477

Mumbai, May 4, 2017

## DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT UNDER SCHEDULE V (F) OF THE LISTING REGULATIONS

Disclosure pursuant to the Schedule V (F) of the Listing Regulations in relation to the unclaimed shares, based on the disclosure furnished by Karvy Computershare Private Limited, the Registrar and Share Transfer Agent (R&TA) of the Company, for the financial year ended March 31, 2017, is as below:

|    | Particulars                                                                                                                                                                                   | Remarks                                                                            |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| a) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. on April 1, 2016;                                                 | Number of Shareholders – 41 and Number of Outstanding shares – 1746 equity shares. |
| b) | Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2016-2017;                                                                          | Nil                                                                                |
| c) | Number of shareholders to whom shares were transferred from suspense account during the year 2016-2017;                                                                                       | Nil                                                                                |
| d) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year under review;                                                                | Number of Shareholders – 41 and Number of Outstanding shares – 1746 equity shares. |
| e) | Voting rights on these shares: Voting rights on the equity shares lying in the suspense account shall remain frozen till the rightful owner of such equity shares claims those equity shares. |                                                                                    |

For and on behalf of the Board of Directors

sd/-

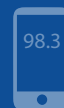
**Vineet Jain**  
Chairman

(DIN: 00003962)

Pune, May 23, 2017



# MANAGEMENT DISCUSSION & ANALYSIS



*Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments in principal markets and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.*

## A. Media Industry Structure and Developments

### World Economy gaining momentum:

The World Economic Outlook released in April 2017 by the IMF raised the global growth estimate from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018, slightly above the October 2016 forecast.

Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Japan was a surprise, thanks to strong net exports, as were countries in Euro zone, such as Germany and Spain that saw strong domestic demand.

Economic performance across emerging markets and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity temporarily slowed in India because of the impact of DeMonetization, as well as in Brazil, which has been mired in a deep recession because of the crash in global commodity prices and internal political trouble. Activity remained weak in fuel and non-fuel commodity exporters again on account of crashing commodity prices, while geopolitical factors held back growth in parts of the Middle East and Turkey.

### Indian Economy – world's fastest growing major economy:

The International Monetary Fund (IMF) restored India to the status of the world's fastest-growing

major economy in 2016-17, as it raised its growth forecast to 6.8% for FY17, ahead of China at 6.7%. The IMF forecast is however lower than the 7.1% growth projected for 2016-17 by the Central Statistics Organization.

As per the IMF, India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favorable terms of trade, and lower external vulnerabilities thanks to soft crude prices. Beyond the immediate challenge of replacing currency in circulation following the November 2016 currency exchange initiative, policy actions should focus on reducing labor and product market rigidities to ease entry and exit of firms, expand the manufacturing base, and gainfully employ the abundant pool of available labor. Policy actions should also boost financial stability through structural tax reforms, including implementation of the recently approved nationwide goods and services tax.

IMF has retained its earlier India growth forecasts for 2017-18 and the next fiscal at 7.2% and 7.7%, respectively. Similarly, World Bank also estimates growth at 7.2% for FY18 and 7.5% for FY19. As per IMF, medium-term growth prospects are favorable, with growth forecast to rise to about 8% over the medium term due to the implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

### Global Advertising Spends:

Zenith Advertising Expenditure Forecast for March 2017 predicts global ad expenditure will grow 4.4% in both 2017 and 2018, reaching US\$592 billion by the end of 2018. The US will be the leading contributor of new ad dollars to the global market over the next three years. China will come second. Between 2016 and 2019 global advertising expenditure is forecast to increase by US\$74 billion in total. The US will contribute 28% of this extra ad expenditure, China 24%, followed by Indonesia, the UK, and India, which will each contribute 4%.

In 2017, internet advertising is expected to overtake advertising in traditional television to become the world's biggest advertising medium, accounting for 36.9% of total ad expenditure. As internet advertising matures, its growth is slowing down, but it remains the fastest growing medium by some distance. It is estimated that internet adspend grew 17% year on year in 2016, and the forecast is of an average growth rate of 11% a year between 2016 and 2019. By 2019 it is expected that internet advertising will account for 41.7% of global ad spend.



# MANAGEMENT DISCUSSION & ANALYSIS



## The Indian Advertising Industry in 2016- A mixed bag:

The year 2016 was a mixed bag for the Indian Media & Entertainment industry. While the digital ecosystem penetrated further into citizen's day-to-day life and opened new avenues of consumption and revenue, it was time for introspection for many parts of the industry.

Television experienced slower growth due to a lackluster year for subscription revenues owing to continued challenges around digitalization. Print

continued to experience a slowdown in growth rates as English newspapers continued to be under pressure owing to rising advertiser embrace of digital platforms.

According to KPMG-FICCI's Indian Media and Entertainment Industry Report 2017, released in March 2017, the advertising industry grew by 11.2% in 2016 over 2015 (estimated at ₹ 528 billion in 2016). The 5-year (2016-2021) growth forecast is a strong 15.3% CAGR. Segment-wise growth trends are tabulated below:

| Indian Advertising Industry Revenue |              |              |              |              |              |               |                       |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|-----------------------|
| in ₹ Billion                        | 2016         | 2017(P)      | 2018(P)      | 2019(P)      | 2020(P)      | 2021 (P)      | CAGR<br>(2016-2021 P) |
| TV                                  | 201.2        | 225.4        | 256.9        | 298          | 342.7        | 394.1         | 14.40%                |
| Print                               | 201.3        | 215          | 233.3        | 254.9        | 276.2        | 296           | 8.00%                 |
| Digital Advertising                 | 76.9         | 101.5        | 134          | 174.3        | 226.5        | 294.5         | 30.80%                |
| OOH                                 | 26.1         | 29           | 32.5         | 36.4         | 40.8         | 45.7          | 11.80%                |
| Radio                               | 22.7         | 26.4         | 30.7         | 35.9         | 41.5         | 47.8          | 16.10%                |
| <b>Total</b>                        | <b>528.2</b> | <b>597.3</b> | <b>687.4</b> | <b>799.5</b> | <b>927.7</b> | <b>1078.1</b> | <b>15.30%</b>         |

Source: KPMG – FICCI 2017 report

## The Indian Radio Industry – shows strongest growth among traditional sectors:

Radio continued to be the fastest growing traditional medium, trailing only behind the new medium - digital. Rise in advertising spends by companies across multiple sectors like automobile, banking, financial services and insurance (BFSI), telecom, retail and media & entertainment continued to drive growth in 2016.

Spends by e-commerce companies, a major growth driver of 2015, saw a declining trend possibly because of continuing operational losses and dwindling VC funding. Political spends slowed down as elections in major states were over. DeMonetization too had an adverse effect post November 8, 2016. Additionally, 2016 was also affected by slower than expected roll out of stations allocated in first Batch of Phase III auctions.

Smaller cities continued to perform better, driven by advertising volume increase as advertisers shifted focus from brand building to more tactical advertising. Larger cities witnessed a marginal increase in effective rates (ER). Overall, the radio industry recorded a growth of 11.4% in CY16 and 9.0% in FY17.

In future also, radio is predicted to be the fastest

growing traditional medium at a CAGR (2016-21) of 16.1% due to operationalization of new stations in both new & existing cities, introduction of new genres of programming and rising listenership.

## B. Radio Industry – Future Outlook, Opportunities and Threats

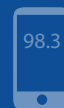
### 1) DeMonetization effect on Media Industry :

DeMonetization had a significant impact on the Media & Entertainment sector both directly & indirectly. The cash crunch post November 8<sup>th</sup>, 2016 resulted in a slowdown in consumption, which in turn impacted ad spends. A large % of broadcasting revenues comprises of advertising revenues. Advertising is highly exposed to the vagaries of underlying business performance of large ad spending sectors. As the business of these sectors sputtered post DeMonetization, so also did that of the media sectors as ad spends crashed. According to industry estimates, loss of advertising revenue on account of DeMonetization for calendar year 2016 was in the range of ₹ 15-17 billion.

A majority of radio broadcasters felt the impact of DeMonetization since retail advertisers were severely impacted by the shortage of cash.



# MANAGEMENT DISCUSSION & ANALYSIS



Large media networks also felt the impact since most national advertisers cut spends to match reduced consumer spending. Sectors such as real estate, retail & e-commerce cut back on ad spends. Overall it is estimated that DeMonetization had an adverse impact of approximately ₹ 50-60 crores or 2-3% in terms of annual growth in FY17 for the radio industry.

Although the industry expects full recovery to take 4-6 months, the situation is seen to have improved after Jan 2017. However, the impending launch of GST is expected to create further disruption for possibly three to four quarters from July 1<sup>st</sup>, 2017.

## 2) Batch 2 auction of Phase III licenses:

Radio Mirchi won the maximum number of 21 channels in as many cities in the 2<sup>nd</sup> batch of Phase III auctions. The Company paid ₹ 0.51 billion for these 21 channels. This allotment further strengthens our position in the industry. The Sun Group which operates Red FM brand was the largest spender and won 13 channels for a combined spend of ₹ 0.81 billion. This includes two of the costliest cities in the auction - Hyderabad for ₹ 0.23 billion and Dehradun for ₹ 0.16 billion.

Sambhav media, a Gujarat based media company emerged as a strong new entrant picking up 13 channels across Gujarat and North India for ₹ 0.18 billion.

The other new entrants were JCL Infra and Ushodaya Enterprises who obtained 4 channels each. Many existing players did not participate in the auctions.

The Ministry of Information & Broadcasting (I&B) is yet to firm up dates for the 3<sup>rd</sup> batch of Phase III auctions and the industry is hopeful that the regulators will rationalize the reserve price and other regulations to encourage more participation. 57 of the 66 channels allotted under the 2<sup>nd</sup> batch of Phase III auction were sold at the reserve price showing lack of competition in the auction. Only 9 channels were sold above their reserve price, e.g. Kal radio (Sun Group) won the frequency in Hyderabad, the only A category city in the 2<sup>nd</sup> batch of Phase III auction for ₹ 0.23 billion, paying 130% of the reserve price.

Post the auction, Radio Mirchi has become the largest network in terms of channels, owning 73 channels in 63 cities.

## 3) DAVP increased rates:

Directorate of Advertising & Visual Publicity, the media agency that releases advertising across various medias for all Ministries of Government of India, revised rates for Private FM operators empaneled with DAVP in Nov 2016, after nearly 10 years.

The average price hike for Radio Mirchi's 36 empanelled stations was 22%. The top gainers were Bangalore, Patna, Lucknow, Kanpur, Kolkata, Coimbatore and most of the growth markets. Some stations saw their prices come down as per DAVP's formula. The top losers were Chennai, Ahmedabad, Pune, Indore, Jalandhar, Jaipur, Surat, Vijayawada and Delhi.

The basis of the rate revision is listenership base as per IRS Q4 2012. The rate hike has been given only to stations that are already empanelled with DAVP. The renewal of DAVP empanelment of existing stations of Phase 1 & Phase 2 and fresh empanelment of qualifying stations of Phase 3 was done on 1<sup>st</sup> March 2017. Guwahati & Kochi empanelment with DAVP was accepted by ENIL while Bangalore 95 and Hyderabad 95 empanelment were not accepted because of the low rates offered by DAVP. We believe the rates do not reflect the premium nature of Bangalore 95 and Hyderabad 95. As on date, ENIL has 37 stations empanelled with DAVP nationally.

## 4) MRUC getting industry together for a common listenership measuring system:

The current research data available is restricted to 4 metros. That data itself suffers from serious quality issues and is rejected by large sections of the industry, including by ENIL. With industry now shifting focus to exclusive genre stations, B category cities and beyond, measurement continues to be a challenge for the industry making it difficult for stations catering to new & niche audiences to convince advertisers of their reach. Considering the huge investment being made in Phase III there is an acute need to build a more robust measurement mechanism.

Media Research Users Council (MRUC) and Association of Radio Operators for India (AROI) are now jointly inviting proposals to conduct Audience Measurement research for Radio. The successful Agency will be required to undertake research covering all aspects related to the same such as sampling



# MANAGEMENT DISCUSSION & ANALYSIS



methodology, research operations - fieldwork, data processing & analysis, projection & weighting, algorithm for media planning and provision of all necessary software etc. Hopefully an effective currency which is robust and accurate will be soon devised for this fast-growing medium.

## 5) GST impact on M&E sector:

GST, one of the most significant indirect tax reforms in the history of India, is a comprehensive tax proposed to be levied on manufacture, sale and consumption of goods & services with a mechanism for allowance of input tax credit paid at each stage of supply. GST, described as 'one tax for one nation' will subsume several existing indirect taxes such as Excise duty, Service tax, Countervailing duty (CVD), VAT, Entertainment Tax and Entry tax.

GST is expected to have positive fiscal impact on the M&E sector on account of simplified tax structure, reduction in cost due to availability of input tax credit at various stages of supply etc. However, there are certain concerns such as registration requirements in each state instead of pan India registration for companies such as ENIL, higher rates vis-à-vis the current rate of 15%, taxes on transfer of goods and services to company's branches and offices located in other states, continuity of various exemptions, increased compliances requirements, etc. which may create significant challenges despite the overall positive impact.

## 6) FM radio in the age of digital streaming:

The Jio launch in 2016 has greatly impacted the entire digital eco-system from e-commerce, to digital advertising, to video consumption. The Jio factor has had a sharp discontinuous impact because of steep reduction in internet data prices, and launch of cheap 4G devices. The 4G offers have led to a fundamental shift in the way subscribers consume data. A 4G connection utilized 1.43 GB of traffic per month in 2016, 4.1 times the average 349MB per month usage for a 3G connection. Video apps such as YouTube, Hotstar, Amazon Prime and Netflix, have therefore seen a huge jump of viewership over last year.

This has implications on the future evolution of media consumption online. India now already has 450 million Internet users, which are expected to go to 550 million in 2017,

and cross 1 billion users by 2021, with 95% of this coming from wireless access. While India has 1.06 billion mobile subscriptions, only 24% of Indian adults own an internet enabled mobile phone today. However, 3G/4G connections in particular are expected to grow from 25% in 2016 to 80% in 2021. Growth in mobile access will have a big impact on the online music consumption, and will open big new opportunities for radio companies. With mobile data access accounting for 95% of the overall internet access in India, we expect more consumption of music through online streaming.

The content business models in India are still heavily advertisement led, that makes the business model weak and unprofitable for now. As an example, of Hotstar's total revenues of ₹ 1.85 billion in FY'16, 75% was contributed by advertising. Even for online streaming services like Gaana and Saavn, subscription based revenues are reported to be less than 5% of their total revenues. With the ad scenario not looking like improving anytime soon, it may not be the best way ahead for media companies to grow their internet businesses.

With music royalties staying very high and unreasonable, and a weak online monetization model, the online streaming business is a highly unprofitable venture right now. The eco-system however is changing rapidly and new opportunities are opening up in branded content and original IP - we are starting to exploit and build capabilities for this.

## 7) Regulatory issues:

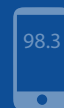
The radio industry's issues with the Government on certain provisions of the Phase-3 policy continue. As per reports, several big broadcasters decided to opt out of the batch-2 auctions as a result of these issues. As mentioned earlier, this resulted in batch-2 auctions being largely unsuccessful with only 66 out of the 266 frequencies getting allotted. The government made just ₹ 200 crores in One Time Entry Fees rather than the minimum of ₹ 913 crores they should have got if all frequencies had been auctioned off.

To quickly summarize, the main issues impeding the growth of FM radio are:

- 1) High Reserve Fees: As a result of this, few broadcasters enter the bidding in any town, leading to less bidding intensity and



# MANAGEMENT DISCUSSION & ANALYSIS



eventually poor determination of market rates. The government loses badly as several licenses remain un-allotted. Public interest is compromised as channels fail to come up. All in all, no one gains because of the high Reserve Fees.

- 2) 3-year lock-in for winning bidders: As per Phase-2 policy, broadcasters who won licenses then were subject to a 5-year lock-in. In the first 5 years, promoters were not allowed to dilute their shareholding below 51%. They were also restricted from selling any shares in this period of time. Broadcasters who have already served their 5-year lock-in in Phase-2 are now being asked to serve another 3-year lock-in after acquiring licenses in Phase-3. It is ironical that in the 2<sup>nd</sup> half of the Phase-2 period (years 6-10), there were no restrictions on share sale, and now they have been re-applied to those same broadcasters. The 3-year lock-in is preventing M&A activity and is detrimental to the exit of non-serious broadcasters and the entry of serious ones.
- 3) National and City-level caps: No broadcaster can hold more than 15% of licenses nationally, nor more than 40% of license within a city. Radio industry believes this is not required since this makes it impossible for a broadcaster to have a second channel in any of the hundreds of cities except the top 13 A+ and A towns. In every media business, companies operate multiple brands to cater to different audiences. But only in the radio business, this is restricted.
- 4) Restrictions on News and Current Affairs: Radio is the only media vertical that is not allowed to run news and current affairs. More than 80,000 newspaper titles and hundreds of TV news channels run independent news operations. But radio companies are not allowed to do so. What is worse is that they are being asked to buy news content from Prasar Bharati. This will mean that a single voice, that too of the government, is all that will be heard on radio waves. The Hon'ble SC has also been petitioned by an NGO Common Cause, to look into this matter. The proceedings are subjudice.

This aside, the radio industry would like the government to release a lot more channels for FM broadcast. TRAI has already recommended that the "channel separation" should be reduced by half from the present 800 Khz. This alone will potentially release another 5-9 channels in each major city. This, along with pragmatic reserve fees, will lead to much more availability of content and this in turn will lead to a growth in listenership. The government will gain from higher license fees overall. And broadcasters will be able to grow their businesses by catering to different segments of the population.

## 8) Other developments:

Zee Media Corporation Limited announced acquisition of 49% stake in the radio business of Reliance Broadcast Network Limited which operates 92.7 Big FM. Zee also has the option to acquire the balance 51% after the lock-in provisions on the holder of these licenses expire. Given the fragmented nature of the radio industry, we expect more consolidation to happen when the lock in provisions expire. ENIL will be an active participant in these consolidation opportunities as and when they emerge.

## C. FY17 – Batch-2 auctions build company strength

### 1) FY 17 operating performance:

FY17 results should be analyzed in two parts. The first half of the year was a great year for the radio industry, with revenues growing by an estimated 15%. However, in the 2<sup>nd</sup> half of the year, as a result of DeMonetization, the growth rate crashed to just 4.3%. DeMonetization cast its impact on both the 3<sup>rd</sup> and 4<sup>th</sup> quarters of the year. The industry growth rate in Q3 had crashed to about 4%. It stayed at 4% in Q4 as well.

Fortunately, because of its multi-product strategy, your Company was able to recover faster in Q4. It grew by 12.4%. Because core radio, as other media like TV, print and OOH, was under DeMonetization pressure, your Company decided to step up the effort on the non-radio products. The Mirchi Activations and Concerts businesses were the main areas of growth for your Company. Both grew rapidly, with concerts leading the charge. The other growth area for the Company was Multi-Media solutions, a product which provides clients with



## MANAGEMENT DISCUSSION & ANALYSIS



solutions, which may include radio and non-radio media as well. In turbulent times, clients focus tightly on the most optimal solutions for their problems, given that their own budgets are constrained. Instead of buying pure radio or print/TV/OOH, they prefer to buy optimal solutions which integrate all media required for the thrust. Your Company has specialized in such solutions, and it used its expertise to wrest advantage from its competitors.

FY17 was also marked by the operationalization of several Phase-3 stations. Your Company itself added 13 stations during the year. These included stations in the 4 new cities of Chandigarh, Kochi, Guwahati and Shillong. We also launched 9 stations in our present cities in the form of a 2<sup>nd</sup> channel. These cities were Bangalore, Hyderabad, Ahmedabad, Pune, Surat, Nagpur, Kanpur, Lucknow and Jaipur. With these nine 2<sup>nd</sup> channel network, your Company was able to segment these important markets into two attractive parts. One part where Mirchi 98.3 was the undisputed leader, and the other where the new brand – Mirchi Love – was launched. This second brand was launched in all cities except Bangalore and Hyderabad. Mirchi Love has been positioned as a premium channel, playing soothing love melodies, with a self-imposed advertising cap of 10 minutes. Initial listener response has been terrific. The profile of listeners of Mirchi Love is very premium. Based on the responses received to a contest – Love in London – it has become clear that the Mirchi Love listener is a rich, well educated person. More than 30% of them own cars and as many as 20% are post-graduates. It is this premium listenership that is helping Mirchi Love get premium pricing in all the markets it operates in.

In Bangalore and Hyderabad, your Company has chosen to launch a new Hindi channel, the first channel playing Kannada and Telugu music respectively. Because of the IT boom in both these cities, the demand for Hindi music has risen consistently. Mirchi 95 is the brand name of our Hindi offering in these two cities. Again, with premium content and low advertising volumes, our listenership profile has emerged as being very up market. The kind of contests we run on these channels – a Mercedes car free in Hyderabad, an iPhone 7 free in Bangalore – is in line with our premium listenership base. Both channels are doing exceedingly well and have emerged leaders

in the Hindi segment in their first year of operation. Advertisers are giving us a thumbs up by paying us higher prices than our Kannada and Telugu offerings. It goes without saying that these prices are much higher than what the other Hindi channels command. The premium imagery of Mirchi is helping establish these new brands as leaders in their chosen segment.

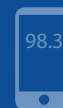
FY17 also witnessed the signing of the Advertising Sales Agreement (ASA) with TV Today for their three radio stations in Delhi, Mumbai and Kolkata. TV Today also decided to rebrand their stations in these cities from Oye FM to Ishq FM. Ishq FM has been re-launched as a premium brand. TV Today has also imposed a voluntary advertising cap of 10 minutes. Your Company is now a sales agent of Ishq FM, which provides strategic strength to the Mirchi Love network. Together, we now sell the premium Love proposition in 8 top cities. This is a huge advantage that your Company enjoys in the market. No other broadcaster has such a strong network of 2<sup>nd</sup> frequencies.

FY17 also saw auctions – called batch 2 auctions – happened during Oct-Dec 2016. Your Company participated with a mix of enthusiasm and caution, bidding for cities where it saw financial viability. In these auctions, your Company acquired 21 new licenses in as many cities. These cities include Bhavnagar, Jamnagar, Mehsana, Palanpur, Bharuch and Junagadh in Gujarat; Akola, and Amravati in Maharashtra, Tiruchirapalli and Tirunelveli in TN, Rajahmundry in AP, Warangal in Telengana, Durg/Bhilai and Raigarh in Chhatisgarh, Hubli/Dharwad and Mysuru in Karnataka, Ujjain in Madhya Pradesh, Jhansi in Uttar Pradesh, Asansol and Siliguri in West Bengal and the Union Territory of Puducherry. With this, your Company now has the strongest footprint amongst all broadcasters in the country. We now have as many as 73 licenses across the country, spread across 63 cities.

Overall, FY17 was an action packed year. But FY18 promises to be even more so. The challenge posed by DeMonetization is likely to continue into the first half of FY18. The expected roll-out of GST from 1<sup>st</sup> July 2017 will add an element of volatility and uncertainty for a few quarters. In the long run however,



# MANAGEMENT DISCUSSION & ANALYSIS



your Company will likely grow faster than the industry, as its network expansion provides it with a fillip.

## 2) Digital:

Your Company continues to invest in the digital business given the huge opportunities that are opening up with online content consumption going up. Your Company now streams 19 online radio stations in partnership with Gaana and added 5 new stations this year –

- Mirchi Top 20 – The biggest Bollywood music countdown station of India. It is an extension of our FM property on digital too.
- International Hitz – A station that gives consumers access to all the hits from all the music charts across the world.
- Rabindra Sangeet – It is a niche radio station for the global fans of Rabindra Sangeet.
- Mirchi Mehfil – It is a ghazal station, in which, a show is hosted by Ghazal celebs Sonali and Roop Kumar Rathod.
- Campus Radio – This is a college radio that targets the college students, and has music and non-music content that interests the college kids of today.

Your Company will continue to strengthen its partnership with Gaana to offer the unique music consumption experience to the listeners. Five of our stations are in the top ten properties on Gaana, and these stations have the highest engagement rates across Gaana. The quality of our content is helping us grow our listeners, and we have grown our listenership to reach more than 3.3 million unique listeners a month. These listeners are consuming an average of 25 million streams a month.

One key development for the online radio streaming business has been the launch of a radio station sponsored by a Brand. This sponsorship model offers a better monetization opportunity than a traditional audio/ banner advertisement model.

Radio Mirchi has continued to strengthen its presence across the internet with many other initiatives as well. Some of the highlights are:

- Radio Mirchi streamed almost 200 million

video views across all our YouTube channels in FY17, with 1.1 million subscribers across all channels.

- Radio Mirchi has a fan base of about 4.3 million across all its Facebook pages, and 3.3 lakhs across Twitter. Its website continues to be the #1 radio website in India.
- Radio Mirchi's online buzz continues to set new benchmarks. For MMA this year, the overall digital campaign reached 24.1 million people on Facebook generating 127 million impressions, 74.9 million people on Twitter generating 2.27 billion impressions, and 42 million views on YouTube. We trended on two occasions on MMA, on the day of the ground event, and on the day of the broadcast.
- Your Company is winning a lot of recognition for the digital content marketing. It has won a Gold and Silver at the DIGIXX digital awards for innovation in digital marketing and user interface design. Also, the online radio station - Campus Radio, also got shortlisted at Abby Awards for marketing innovation.

## 3) Listenership performance:

The Indian Readership Survey (IRS) is the only pan-India Radio Listenership Survey and is conducted by Media Research Users Council (MRUC). The last available survey results were for 2014 and were declared in March 2015. According to IRS 2014, Radio Mirchi is the No. 1 station in India. Radio Mirchi has always been a leader and that has been reaffirmed in IRS 2014 as well.

Your Company also conducts its own survey using global research agency IPSOS. The research is conducted monthly in the top 4 metros, once in two months in 4 other large cities and once every two months in the next 4 important cities. IPSOS research consistently puts your Company in pole position. Mirchi is ranked #1 in 9 cities on a regular basis out of 12 important cities (of the remaining three, Mirchi has just launched in two – Chandigarh and Kochi).

Your Company's listenership lead is recognized by the advertising fraternity. Clients repeatedly use the services of your Company in promoting their brands and pay premium prices to ENIL.



# MANAGEMENT DISCUSSION & ANALYSIS



## 4) Awards & Recognition:

- **Radio Mirchi won the "Master Connectors" award at the Pitch Top 50 Brand 2016** held at Le- Meridien, Gurgaon in July 2016.
- **Mirchi wins at the Asia Consumer Engagement Forum:**
  - » Won Gold for Creativity of its event- Mirchi Silent Party;
  - » Also, bagged Bronze for Successful use of Technology at Mirchi Silent Party;
  - » Won Silver for Creativity for its radio campaign- Old is not That Old;
  - » Won Bronze for promotion of its Call you Mother Campaign;
  - » Won Bronze for Successful use of CSR Activity for its Flat 983 campaign.
- **Golden Mikes Awards for Radio Mirchi:**
  - » Won a Broadcaster award for Best On Air Promotion by a Network of Radio Stations for Self for its Call your Mother campaign;
  - » Won a Broadcaster award for Best On Ground Promotion by a Single Radio Stations for its Mirchi Silent Party;
  - » Won an Effectiveness award for Best Use of Radio for Finding Mirchi for Maggi Hotheads campaign for Nestle.
- **CSR Awards:**
  - » ABP NEWS CSR Leadership Awards 2016-17: for outstanding social impacts was won in February this year, during the World CSR Day conference in Mumbai. The award was for our initiatives and support to AR Rahman Foundation, Nalandaways and NAB Preparatory Unit.

## 5) CSR initiatives:

As part of CSR initiatives, your Company made contributions to the AR Rahman Foundation, Nalanda Way, National Association for the Blind and Times Foundation for Social Justice Benefit and Welfare during FY 16-17. An overview of the assisted institutions and the donations is provided below:

### a) AR Rahman Foundation (ARRF):

Located in Chennai & established in

2006, the AR Rahman Foundation, trains underprivileged kids in both Hindustani and Western Music. The school's vision flows from AR Rahman's idea that artists who play individual instruments are getting older while the younger generation is preferring digital synthesizers rather than traditional instruments. So, he wants to train a younger generation of artists to revive the art of playing traditional instruments.

ARRF identifies underprivileged students with potential for music for whom there is need for a teacher with specialized knowledge of western/symphony music for skill development so that the students become eligible for the next level. ARRF also needs a functioning music hall for training the students and also to use the hall as a practice room. To support this objective, your Company has contributed ₹ 20 lakhs for teachers and the Sunshine orchestra.

### b) NalandaWay (<http://www.nalandaway.org/>):

Located in Chennai and set up in the aftermath of 2002 riots in Gujarat, NalandaWay is, to quote from their website, "a non-profit that works with children from the poorest districts in India, helping them raise their voices and issues through theatre, visual arts, music, dance, radio and films".

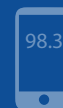
NalandaWay uses a project based approach that seeks to develop a sense of self-importance and individuality, encourage self-expression and stimulate imagination among disadvantaged children through its art programmes. The methodology used to develop the above mentioned skills is through "Art Labs". which are run in Chennai and Delhi. Your Company has contributed ₹ 20 lakhs towards the Art Lab.

### c) National Association for the Blind (NAB) – Preparatory unit: (<http://www.nabdelhi.in/>):

We have been supporting NAB for many years now under the "Mirchi Cares" initiative. We increased the level of support this year. This fits in with the "spoken word" aspect of the brand.



# MANAGEMENT DISCUSSION & ANALYSIS



Located in Delhi, Preparatory School is the basic foundation unit of education of NAB, where the blind children of age group of 4 to 7 years are prepared for integration into the main stream schools. Apart from this, the children learn music, games and craft. Parents of young visually impaired children are also trained in handling their children in these areas.

Your Company has contributed ₹ 23.5 lakhs towards supporting the studies of 55 students for the year.

## d) Times Foundation for Social Justice Benefit and Welfare (Times Foundation):

Times Foundation is setting up a music academy at Bennett University – called the Mirchi Music Academy - which will be supported by Your Company.

The Mirchi Music Academy at Bennett University will offer specific music courses (helping in promotion of employment enhancing vocational skills) which interested students may opt to study as “electives” as part of their degree/ diploma completion requirements. One of the significant aspects of the Mirchi Music Academy will be a certificate course for under privileged students who are not a part of Bennett University. Promising students from here can be trained further in the next higher levels.

Your Company has contributed an amount of ₹ 169.55 lakhs to Times Foundation to set up the Mirchi Music Academy at Bennett University.

## e) Other initiatives:

Audio books were recorded for Pratham books on a regular basis as also for the ‘Dial a Story’ campaign. The same were shared with Pratham books and Saksham.

Audio descriptive films were regularly screened in various Radio Mirchi stations from Bhaag Milkha Bhaag, to PK, Dhanak, Dhoni, Oppam and last but surely not the least the biggest blockbuster of the year Kabali. Dhoni, Oppam and Kabali were converted into an audio descriptive format by Radio Mirchi.

Mirchi Cares continues to extend whatever audio support that we can provide to the visually challenged friends

by way of inclusivity. With this in mind, the Good Food Talk apps, developed by NAB was supported in some cities. This App enables the blind and persons with autistic and other disabilities to read/ hear the menu of various restaurant so that they can order food independently.

## 6) HR initiatives:

In today's competitive age the hunt for talent has increased manifold. We are seeing both the new age & traditional sectors compete fiercely for the same talent pool. More so for our sector which thrives on talent, it becomes even more critical. The millennial generation also expect their companies to keep them updated, contemporary & engaged through developmental inputs.

Your Company is fully aware & geared up to cater to this. To cater to the new stations & expansions that the Company has embarked upon, we increased our headcount and we are now a 1042 member team. As a conscious strategy, we have continued to increase our training spends to drive productivity, resulting in more than 80% increase in training days over last year. We clocked 1900+ person days amounting to almost 2 person-days of training per person. Around 50% of our workforce went through a formal training plan based on developmental plan identified for them. Going ahead too, we will ensure that the trajectory of investments on training & developing people continues to remain healthy. ENIL's talent has always commanded a premium in terms of its quality in the employment market place & with this added investment we hope to shift our talent quality up by a couple of notches.

## D. Risks, Concerns and Challenges Facing the Company

### 1) Macroeconomic risk:

Since the advertising industry depends on advertisers, its fortunes depend on the fortunes of the advertisers. As seen in FY17, the Company's performance gets affected by big-ticket government policies such as DeMonetization. In FY18, there could be an effect of the roll-out of the GST as well. This is a risk not only for ENIL, but for all media companies.

### 2) Operational and Financial Risks:

The Risk Management Framework of the



# MANAGEMENT DISCUSSION & ANALYSIS



Company is the basis on which your Company manages its risks. The Board monitors the risks on a regular basis. Risks are periodically reviewed, added and deleted. In FY17 too, we have reviewed and updated the risk matrix. Process owners assume the risks and brief management and the Board about the same.

### 3) Retaining Talent:

While all industries depend on talented teams, this is especially true in the Media & Entertainment industry. More than a quarter of our costs are people costs. In fact, they are one of the biggest cost items (the other being Marketing) in the Company's P&L. The secret sauce of your Company's success is that it has been able to attract the best talent available and keep them happily engaged. Being part of The Times of India group helps in the process. Our HR policies are amongst the best in the media industry.

## E. Segment- Wise Financial Performance

Management Discussion and Analysis of the Company's operations together with discussion on financial performance with respect to operational performance should be read in conjunction with the financial statements and the related notes.

### ENIL – Radio Mirchi:

ENIL's revenue from operations grew 9.4% to ₹ 556.6 crores, EBITDA from operations fell 20.5% to ₹ 125.9 crores and PAT de-grew by 49.5% to ₹ 54.5 crores. These drops in EBITDA and PAT are on account of the significant spends in marketing, people, amortization, depreciation and finance charges on account of Phase-3 expansion.

The Company generated operating cash flows of ₹ 111.3 crores and had net cash of ₹ 2.9 crores as on March 31, 2017. The net worth of the Company grew from ₹ 806.4 crores to ₹ 854.7 crores during the year.

### Subsidiary Company:

Alternate Brand Solutions (India) Limited (ABSL) is the Company's wholly owned subsidiary since 2007. ABSL recorded a total income of ₹ 68.98 lakhs during the financial year 2016-17. Profit after Tax stood at ₹ 69.55 lakhs for the financial year under review.

## GENERAL

### Internal Control Systems and their Adequacy:

The Company has a system of internal controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by programs of internal audit to ensure that the assets are properly accounted for and the business operations are conducted in adherence to laid down policies and procedures. The internal control system also focuses on processes to ensure integrity of the Company's financial accounting and reporting processes and compliance with the Company's legal obligations. The Company has a well-defined risk management programme for identifying and mitigating risks across all the functions which is reviewed by the Board of Directors of the Company periodically.

The Company has an Audit Committee of the Board of Directors which meets regularly to review *inter alia* risk management policies, adequacies of internal controls, the audit findings on the various segments of the business, the financial information and other issues related to the Company's operations.

### Material Developments in Human Resources/ Industrial Relations front, including Number of People Employed:

Specific need based training and development programs for all levels of employees were imparted in order to optimize the contribution of the employees to the Company's business and operations. Occupational health safety and environmental management are given utmost importance. As on March 31, 2017, the employee strength (on permanent roll) of the Company was 1042.

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

sd/-

**Vineet Jain**

Chairman

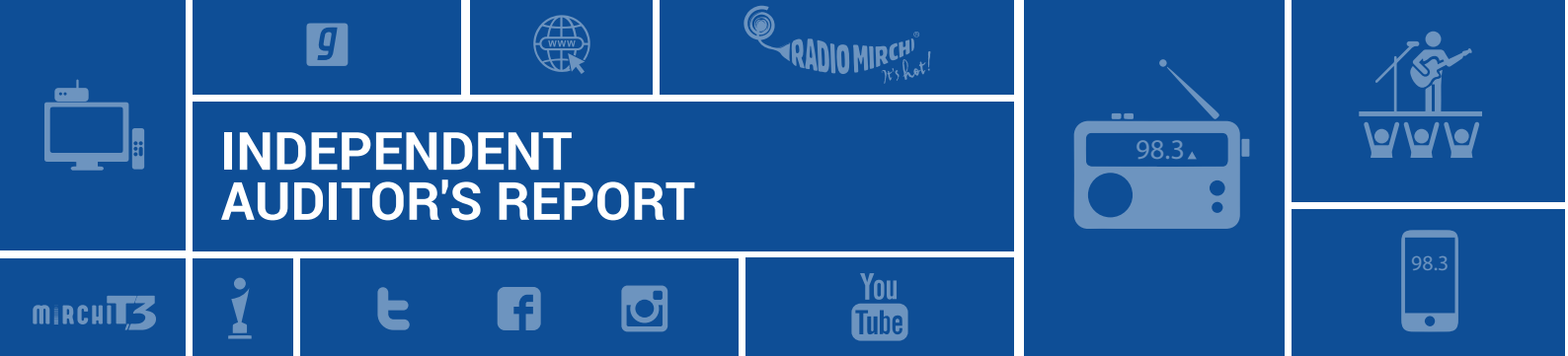
[DIN: 00003962]

Pune, May 23, 2017

### Registered Office:

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4<sup>th</sup> Floor, 'A' Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (W),  
Mumbai – 400 013.

[www.enil.co.in](http://www.enil.co.in)



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Entertainment Network (India) Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Entertainment Network (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



# INDEPENDENT AUDITOR'S REPORT



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and 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;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 45 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Govind Ahuja**

Partner  
Membership Number: 48966

Place of Signature: Pune

Date: May 23, 2017



## Annexure 1 to the Independent Auditor's Report

Re: Entertainment Network (India) Limited ("the Company")

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.  
(c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investment made in subsidiary have been complied with by the Company. There are no other loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act, related to the radio broadcasting services of the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(c) According to the information and explanation given to us, there are no dues of sales-tax, service tax, duty of customs and value added tax which have not been deposited on account of any dispute. According to the records of the Company, details of income tax dues, which have not been deposited on account of a dispute, are as under:

| Name of the statute  | Nature of dues | Amount (₹)  | Period to which the amount relates | Forum where dispute is pending       |
|----------------------|----------------|-------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax     | 106,105,220 | Assessment Year 2012-13            | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax     | 281,371,210 | Assessment Year 2013-14            | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax     | 15,010      | Assessment Year 2014-15            | Commissioner of Income Tax (Appeals) |



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT



- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to Banks or financial institutions. The Company has neither issued any debentures nor availed any loan from government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans hence, reporting under paragraph 3, clause (ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3, clause (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Govind Ahuja**

Partner  
Membership Number: 48966

Place of Signature : Pune  
Date : May 23, 2017



## Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Entertainment Network (India) Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Entertainment Network (India) 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.

#### Management's Responsibility for Internal Financial Controls

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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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.

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.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

### Opinion

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.

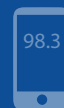
For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner  
Membership Number: 48966

Place of Signature : Pune  
Date : May 23, 2017



# BALANCE SHEET

as at March 31, 2017

MIRCHIT3



(₹ in lakhs)

|                                                | Notes | March 31, 2017     | March 31, 2016     | April 1, 2015    |
|------------------------------------------------|-------|--------------------|--------------------|------------------|
| <b>ASSETS</b>                                  |       |                    |                    |                  |
| <b>Non-current assets</b>                      |       |                    |                    |                  |
| Property, plant and equipment                  | 2     | 5,835.21           | 2,204.53           | 2,631.61         |
| Capital work-in-progress                       | 3     | 6,643.82           | 35,663.69          | –                |
| Investment properties                          | 4     | 102.79             | 103.04             | 101.86           |
| Goodwill                                       | 5     | 46.49              | 46.49              | 46.49            |
| Other intangible assets                        | 6     | 65,468.03          | 34,879.09          | 2,671.47         |
| <b>Financial assets</b>                        |       |                    |                    |                  |
| Investments                                    | 7     | 702.50             | 4,796.67           | 15,692.10        |
| Loans                                          | 8     | 1,881.77           | 1,773.55           | 1,114.32         |
| Others                                         | 9     | –                  | –                  | 653.21           |
| Deferred tax assets (net)                      | 21    | –                  | –                  | 1,171.22         |
| Other non-current assets                       | 10    | 948.72             | 2,089.86           | 40.76            |
| <b>Total Non-Current assets</b>                |       | <b>81,629.33</b>   | <b>81,556.92</b>   | <b>24,123.04</b> |
| <b>Current assets</b>                          |       |                    |                    |                  |
| <b>Financial assets</b>                        |       |                    |                    |                  |
| Investments                                    | 11    | 10,754.44          | 18,644.07          | 42,288.45        |
| Trade receivables                              | 12    | 16,215.44          | 14,029.70          | 12,485.99        |
| Cash and cash equivalents                      | 13    | 1,854.44           | 1,614.10           | 1,423.12         |
| Other bank balances                            | 14    | 4.93               | 363.17             | 0.41             |
| Others                                         | 15    | 310.62             | 36.49              | 26.80            |
| Other current assets                           | 16    | 2,755.09           | 1,753.02           | 955.99           |
| <b>Total Current assets</b>                    |       | <b>31,894.96</b>   | <b>36,440.55</b>   | <b>57,180.76</b> |
| <b>TOTAL ASSETS</b>                            |       | <b>113,524.29</b>  | <b>117,997.47</b>  | <b>81,303.80</b> |
| <b>EQUITY AND LIABILITIES</b>                  |       |                    |                    |                  |
| <b>Equity</b>                                  |       |                    |                    |                  |
| Equity share capital                           | 17    | 4,767.04           | 4,767.04           | 4,767.04         |
| Other equity                                   | 18    | 80,699.58          | 75,874.69          | 65,635.78        |
| <b>Total Equity</b>                            |       | <b>85,466.62</b>   | <b>80,641.73</b>   | <b>70,402.82</b> |
| <b>Liabilities</b>                             |       |                    |                    |                  |
| <b>Non-current liabilities</b>                 |       |                    |                    |                  |
| <b>Financial liabilities</b>                   |       |                    |                    |                  |
| Others                                         | 19    | –                  | –                  | 29.88            |
| Employee benefit obligations                   | 20    | 891.76             | 723.54             | 681.15           |
| Deferred tax liabilities (net)                 | 21    | 991.04             | 596.03             | –                |
| <b>Total Non-Current liabilities</b>           |       | <b>1,882.80</b>    | <b>1,319.57</b>    | <b>711.03</b>    |
| <b>Current liabilities</b>                     |       |                    |                    |                  |
| <b>Financial liabilities</b>                   |       |                    |                    |                  |
| Short-term borrowings                          | 22    | 12,319.09          | 25,008.45          | –                |
| Trade payables                                 | 23    | 11,159.08          | 7,998.07           | 7,404.83         |
| Others                                         | 24    | 23.41              | 30.40              | 8.19             |
| Other current liabilities                      | 25    | 2,524.69           | 2,870.90           | 2,723.23         |
| Employee benefit obligations                   | 26    | 148.60             | 128.35             | 53.70            |
| <b>Total Current liabilities</b>               |       | <b>26,174.87</b>   | <b>36,036.17</b>   | <b>10,189.95</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>            |       | <b>1,13,524.29</b> | <b>1,17,997.47</b> | <b>81,303.80</b> |
| NOTES FORMING PART OF THE FINANCIAL STATEMENTS | 1-50  |                    |                    |                  |

The above balance sheet should be read with the accompanying notes.

As per our report of even date

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Govind Ahuja**

Partner

Membership No. 48966

Place : Pune

Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman

[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

Director

[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary

[Membership No. FCS: 5839]

**Prashant Panday**

Managing Director & CEO

[DIN: 02747925]



# STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2017



(₹ in lakhs)

|                                                                                                       | Notes       | For the year ended March 31 |                  |
|-------------------------------------------------------------------------------------------------------|-------------|-----------------------------|------------------|
|                                                                                                       |             | 2017                        | 2016             |
| Revenue from operations                                                                               | 27          | 54,946.46                   | 49,214.34        |
| Other operating income                                                                                | 27          | 705.56                      | 1,646.13         |
| Other income                                                                                          | 28          | 1,959.11                    | 3,425.56         |
| <b>Total Income</b>                                                                                   |             | <b>57,611.13</b>            | <b>54,286.03</b> |
| <b>Expenses:</b>                                                                                      |             |                             |                  |
| Employee benefits expense                                                                             | 29          | 10,537.52                   | 9,383.80         |
| Finance cost                                                                                          | 30          | 1,356.98                    | 3.59             |
| Depreciation and amortisation                                                                         | 31          | 5,360.46                    | 3,606.73         |
| Operating and other expenses                                                                          | 32          | 32,524.95                   | 25,629.88        |
| <b>Total Expenses</b>                                                                                 |             | <b>49,779.91</b>            | <b>38,624.00</b> |
| <b>Profit before tax</b>                                                                              |             | <b>7,831.22</b>             | <b>15,662.03</b> |
| Tax expense : (Refer Note 1(xiii))                                                                    | 33          |                             |                  |
| Current tax                                                                                           |             | 1,963.00                    | 3,088.93         |
| Deferred tax                                                                                          |             | 417.98                      | 1,781.21         |
| Deferred tax of earlier years                                                                         |             | 2.84                        | (0.64)           |
| <b>Total tax expenses</b>                                                                             |             | <b>2,383.82</b>             | <b>4,869.50</b>  |
| <b>Profit for the year</b>                                                                            |             | <b>5,447.40</b>             | <b>10,792.53</b> |
| <b>Other Comprehensive Income (OCI)</b>                                                               |             |                             |                  |
| Items that will not be reclassified to profit or loss                                                 |             |                             |                  |
| – Remeasurement of post employment benefit obligations                                                |             | (74.57)                     | 30.79            |
| – Income tax relating to items that will not be reclassified to profit or loss                        |             | 25.81                       | (10.66)          |
| <b>Other comprehensive income for the year, net of tax</b>                                            |             | <b>(48.76)</b>              | <b>20.13</b>     |
| <b>Total Comprehensive Income for the year</b>                                                        |             | <b>5,398.64</b>             | <b>10,812.66</b> |
| <b>Earnings per equity share [nominal value per share: ₹ 10 (2015-16: ₹ 10)] (Refer Notes 1(xii))</b> |             |                             |                  |
| – Basic                                                                                               | 41          | 11.43                       | 22.64            |
| – Diluted                                                                                             |             | 11.43                       | 22.64            |
| <b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>                                                 | <b>1-50</b> |                             |                  |

The above statement of Profit and Loss should be read with the accompanying notes.

As per our report of even date  
For **S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

**Govind Ahuja**  
Partner  
Membership No. 48966

Place : Pune  
Dated : May 23, 2017

For and on behalf of the Board of Directors  
**Vineet Jain**  
Chairman  
[DIN: 00003962]

**N. Subramanian**  
Group CFO

**Richard Saldanha**  
Director  
[DIN:00189029]

**Mehul Shah**  
SVP Compliance and Company Secretary  
[Membership No. FCS: 5839]

**Prashant Panday**  
Managing Director & CEO  
[DIN: 02747925]



# STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

## A. Equity Share capital

|                                                 |          |
|-------------------------------------------------|----------|
| Balance as at April 1, 2015                     | 4,767.04 |
| Changes in equity share capital during the year | —        |
| Balance as at March 31, 2016                    | 4,767.04 |
| Changes in equity share capital during the year | —        |
| Balance as at March 31, 2017                    | 4,767.04 |

## B. Other Equity

|                              | Reserves and Surplus |                   |              |
|------------------------------|----------------------|-------------------|--------------|
|                              | Securities premium   | Retained earnings | Total Equity |
| Balance as at April 1, 2015  | 18,852.16            | 46,783.62         | 65,635.78    |
| Profit for the year          | —                    | 10,792.53         | 10,792.53    |
| Other comprehensive income   | —                    | 20.13             | 20.13        |
| Dividends paid               | —                    | (476.70)          | (476.70)     |
| Dividend distribution tax    | —                    | (97.05)           | (97.05)      |
| Balance as at March 31, 2016 | 18,852.16            | 57,022.53         | 75,874.69    |
| Profit for the year          | —                    | 5,447.40          | 5,447.40     |
| Other comprehensive income   | —                    | (48.76)           | (48.76)      |
| Dividends paid               | —                    | (476.70)          | (476.70)     |
| Dividend distribution tax    | —                    | (97.05)           | (97.05)      |
| Balance as at March 31, 2017 | 18,852.16            | 61,847.42         | 80,699.58    |

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Govind Ahuja**

Partner

Membership No. 48966

Place : Pune

Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman

[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

Director

[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary

[Membership No. FCS: 5839]

**Prashant Panday**

Managing Director & CEO

[DIN: 02747925]



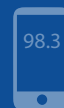
# STATEMENT OF CASH FLOWS

for the year ended March 31, 2017



(₹ in lakhs)

|                                                              | For the year ended March 31 |                  |
|--------------------------------------------------------------|-----------------------------|------------------|
|                                                              | 2017                        | 2016             |
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>              |                             |                  |
| Profit before taxation                                       | 7,831.22                    | 15,662.03        |
| <b>Adjustments for :</b>                                     |                             |                  |
| Depreciation and amortisation                                | 5,360.46                    | 3,606.73         |
| Interest income on investments                               | (17.43)                     | (45.17)          |
| Finance cost                                                 | 1,356.98                    | 3.59             |
| Provision no longer required written back                    | (614.26)                    | (1,522.88)       |
| Profit on fair value of investment                           | (541.96)                    | (913.19)         |
| Profit on sale of current investments                        | (1,355.05)                  | (1,906.85)       |
| Exchange gain / loss                                         | 0.77                        | (1.50)           |
| Dividend income on current investments                       | —                           | (477.06)         |
| (Profit) on sale of tangible assets                          | (1.76)                      | (1.54)           |
| Tangible assets written off                                  | 26.32                       | 32.60            |
| Provision for doubtful debts (net)                           | 687.35                      | 192.32           |
| Bad debts written off                                        | 178.11                      | 199.28           |
| Provision for retirement benefits                            | 188.47                      | 117.04           |
| <b>Operating profit before working capital changes</b>       | <b>13,099.22</b>            | <b>14,945.40</b> |
| <b>Adjustments for changes in working capital :</b>          |                             |                  |
| (Increase) in trade receivables                              | (3,051.97)                  | (1,933.82)       |
| (Increase) in long term loans                                | (97.02)                     | (659.22)         |
| (Increase) in other current financial assets                 | (277.44)                    | (28.91)          |
| Decrease in other non current assets                         | 358.25                      | 290.56           |
| (Increase) in other current non financial assets             | (1,002.07)                  | (797.02)         |
| (Decrease) in other long term liabilities                    | —                           | (29.88)          |
| (Decrease) / Increase in other current financial liabilities | (7.11)                      | 22.10            |
| Increase in trade payables                                   | 3,775.24                    | 2,116.13         |
| (Decrease) / Increase in other current liabilities           | (346.21)                    | 147.67           |
| (Decrease) / Increase in short term provisions               | (74.57)                     | 30.68            |
| <b>Cash generated from operations</b>                        | <b>12,376.32</b>            | <b>14,103.69</b> |
| Taxes paid (net)                                             | (1,945.95)                  | (3,219.63)       |
| <b>Net cash generated from Operating Activities (A)</b>      | <b>10,430.37</b>            | <b>10,884.06</b> |



# STATEMENT OF CASH FLOWS

for the year ended March 31, 2017

MIRCHI3



(₹ in lakhs)

|                                                                                                                                  | For the year ended March 31 |                      |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|
|                                                                                                                                  | 2017                        | 2016                 |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>                                                                                  |                             |                      |
| Purchase of tangible assets, including capital work in progress and capital advances                                             | (3,533.37)                  | (2,758.43)           |
| Purchase of intangible assets, including capital work in progress and capital advances                                           | (5,156.21)                  | (71,006.15)          |
| Purchase of radio stations from TVTN (Refer note 44)                                                                             | —                           | (400.00)             |
| Proceeds from sale of tangible assets                                                                                            | 3.57                        | 2.28                 |
| Proceeds from sale of intangible assets                                                                                          | —                           | 2,476.03             |
| Interest received                                                                                                                | 9.54                        | 64.39                |
| Dividend received on investments                                                                                                 | —                           | 477.06               |
| Purchase of investment property                                                                                                  | —                           | (1.18)               |
| Purchase of current investments                                                                                                  | (48,224.53)                 | (208,235.78)         |
| Proceeds from sale of current investments                                                                                        | 62,105.34                   | 245,595.62           |
| <b>Net cash from / (used in) Investing Activities (B)</b>                                                                        | <b>5,204.34</b>             | <b>(33,786.16)</b>   |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>                                                                                  |                             |                      |
| Amount received on issue of Commercial Papers                                                                                    | 12,180.09                   | 24,942.60            |
| Amount repaid on issue of Commercial Papers                                                                                      | (27,000.00)                 | —                    |
| Repayments of short term borrowings                                                                                              | —                           | (47,962.12)          |
| Proceeds from short term borrowings                                                                                              | —                           | 47,962.12            |
| Dividend paid                                                                                                                    | (476.57)                    | (476.59)             |
| Dividend distribution tax paid                                                                                                   | (97.05)                     | (97.05)              |
| Interest paid                                                                                                                    | (0.84)                      | (1,275.88)           |
| <b>Net cash (used in)/ from Financing Activities (C)</b>                                                                         | <b>(15,394.37)</b>          | <b>23,093.08</b>     |
| <b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>                                                                     | <b>240.34</b>               | <b>190.98</b>        |
| <b>Cash and Cash Equivalents as at the beginning of the year</b>                                                                 | <b>1,614.10</b>             | <b>1,423.12</b>      |
| <b>Cash and Cash Equivalents as at the end of the year</b>                                                                       | <b>1,854.44</b>             | <b>1,614.10</b>      |
| <b>Balance as per Statement of Cash flows</b>                                                                                    | <b>240.34</b>               | <b>190.98</b>        |
| <b>NOTES ON CASH FLOW STATEMENT :</b>                                                                                            |                             |                      |
| 1. Cash and cash equivalents at the end of the year as per Balance Sheet (Refer Notes 1(xi) and 13 in the Financial Statements). | 1,854.44<br>1,854.44        | 1,614.10<br>1,614.10 |
| 2. Previous year's figures have been regrouped and rearranged wherever necessary.                                                |                             |                      |

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

As per our report of even date.

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Govind Ahuja**

Partner

Membership No. 48966

Place : Pune

Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman

[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

Director

[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary

[Membership No. FCS: 5839]

**Prashant Panday**

Managing Director & CEO

[DIN: 02747925]

## NOTES

forming part of the Financial Statements

**Corporate Information**

Entertainment Network (India) Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company was incorporated on June 24, 1999 and has registered office at Mumbai, Maharashtra, India. The Company operates FM radio broadcasting stations in 40 Indian cities under the brand names 'Radio Mirchi' and 'Mirchi Love'.

The Company's principal revenue stream is advertising. Advertising revenues are generated through the sale of air time in the Company's FM radio broadcasting stations, activations and monetization of Company's digital and other media properties.

These financial statements were approved for issue by the Company's Board of Directors on May 23, 2017.

**1. Significant Accounting Policies****i. Basis of Accounting**

These financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans that are measured on actuarial basis, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - 'First time adoption of Indian Accounting Standards'. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 49. Accounting policies have been consistently applied except where a newly issued accounting standard has been adopted or a revision to an existing accounting standard requires a consequent change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Act.

**ii. Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The revenue recognised is net of discounts and service tax.

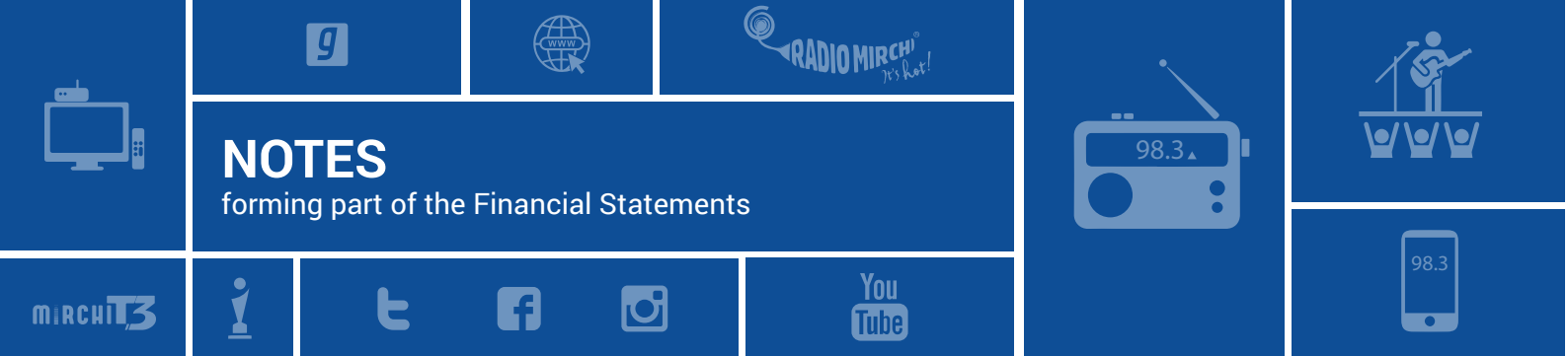
- Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials.
- Revenue from other services is recognized, in the period in which the services are rendered and where applicable, the percentage completed method is applied.

**iii. Property, Plant and Equipment**

Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Cost of Property, Plant and Equipment comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition and location for the intended use.

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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The present value of the expected cost for the decommissioning of an asset (after its use) is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on Property, Plant and Equipment not ready for their intended use is disclosed as Capital



Work-in-Progress. Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

Depreciation on Property, Plant and Equipment, other than leasehold improvements, is provided on written down value method as per the useful life and in the manner specified in schedule II to the Act. Leasehold improvements are depreciated on straight line basis, over the lease period.

The estimated useful lives used by the Company to compute depreciation is as under:

| Asset class                                            | Useful lives estimated by the management (in years) |
|--------------------------------------------------------|-----------------------------------------------------|
| Building (Including compensation paid for use of land) | 60                                                  |
| Plant and machinery - Studio                           | 15                                                  |
| Plant and machinery -Transmission                      | 13                                                  |
| Furniture and fixtures                                 | 10                                                  |
| Office equipment                                       | 5                                                   |
| Motor vehicles                                         | 8                                                   |
| Leasehold improvements                                 | Life based on lease period                          |
| Computers                                              | 3                                                   |
| Computers - Servers                                    | 6                                                   |

The residual values are not more than 5% of the original cost of the asset. Property, Plant and Equipment costing less than ₹ 5,000 are depreciated fully in the year of purchase. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

An item of Property, Plant & Equipment is derecognised upon disposal and any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### iv. Intangible assets

##### a. Frequency Module (FM) Radio Licenses

Non-Refundable One Time Migration Fees paid by the Company for existing FM Radio licenses upon migration to Phase III of the Licensing policy and Non-Refundable One Time Entry Fees paid by the Company for acquiring new FM radio licenses have been capitalised as an intangible asset. These assets are stated at cost less accumulated amortization and impairment losses, if applicable.

A summary of amortization policies applied to the licences is tabulated below:

| Asset class                            | Useful lives estimated by the management                                |
|----------------------------------------|-------------------------------------------------------------------------|
| Non Refundable One Time Migration Fees | 15 years with effect from April 1, 2015                                 |
| Non Refundable One Time Entry Fee      | 15 years from the date of operationalisation of the respective stations |

##### b. Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets and liabilities of the acquisition. Goodwill is measured at cost less accumulated impairment losses.

##### c. Software

- Software acquired initially together with hardware is capitalised along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software licenses are treated as revenue expenditure and charged to the profit and loss account in the year of purchase.



# NOTES

forming part of the Financial Statements



- b. Expenditure on Enterprise Software such as SAP, Sales CRM and Performance Appraisal Software etc. where the economic benefit is expected to be more than a year is recognised as an "Intangible Asset" and are amortised over a period of 45 to 60 months.

## v. Investment property

Investment in buildings that is not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. All repairs and maintenance costs incurred for the investment properties are charged to profit and loss account when incurred.

Investment properties are carried at cost less accumulated depreciation and impairment loss, if any. Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

## vi. Borrowing cost

Borrowing cost directly attributable to qualifying assets, which take substantial period to get ready for its intended use, are capitalized to the extent they relate to the period until such assets are ready to be put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## vii. Foreign currency transactions

The Functional Currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (rounded off to lakhs; one lakh equals one hundred thousand).

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rates prevailing on that day. Exchange differences are recognised in the statement of profit and loss.

## viii. Financial instruments

### a. Recognition and initial measurement

The Company recognizes trade receivables and debt securities when they are originated at transaction price. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Except trade receivables, all financial assets and liabilities are recognised at fair value. In case of financial assets and liabilities that are not measured at fair value through profit or loss, directly attributable transaction costs are added to the fair value on initial recognition.

### b. Classification and subsequent measurement

#### i. Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those measured at amortised cost.

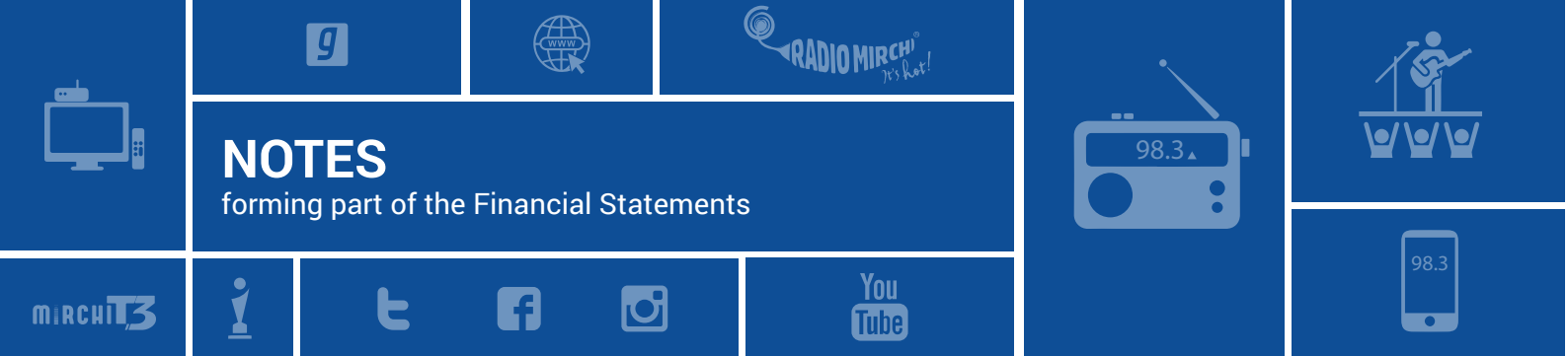
The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Investments that are intended to be held for not more than a year from the date of investment are classified as current investments. All other investments are termed as long term investments. The portion of long term investments which is expected to be realized within twelve months from the balance sheet date is classified as current investments.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as gain/(losses) in the statement of profit and loss.

#### ii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rates method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments.



# NOTES

forming part of the Financial Statements

Changes in the fair value of financial liabilities at fair value through profit or loss are recognised as gain/(losses) in the statement of profit and loss.

## iii. Investment in subsidiary

Investment in subsidiary is carried at cost.

## c. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 - 'Financial Instruments'. A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## d. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 - 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## e. Income recognition

- i. Dividends are recognised in statement of 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.
- ii. Interest income from financial assets 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 but does not consider the expected credit losses.

## ix. Employee benefits

### a. Defined Contribution Plans:

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995 and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are recognized in the statement of profit and loss every year.

### b. Defined Benefit Plans:

The Company has defined benefit plans namely gratuity for all its employees. Liability for Defined Benefit Plans is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method.

Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent period.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.



# NOTES

forming part of the Financial Statements



## c. Other Long term benefits

The Company has other long term benefits namely compensated absences for all its employees. The liabilities in respect of compensated absences which are expected to be encashed / utilised before twelve months from the balance sheet date are short term. Other such liabilities are considered long term.

d. Termination benefits are recognised as an expense as and when incurred.

## x. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net off any lease incentives received from the lessor are charged to the statement of profit and loss on a straight line basis over the period of the lease unless the increase in payments is in line with the expected general inflation.

## xi. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any are shown as borrowings under current liabilities in the balance sheet.

## xii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events (such as bonus shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## xiii. Income taxes

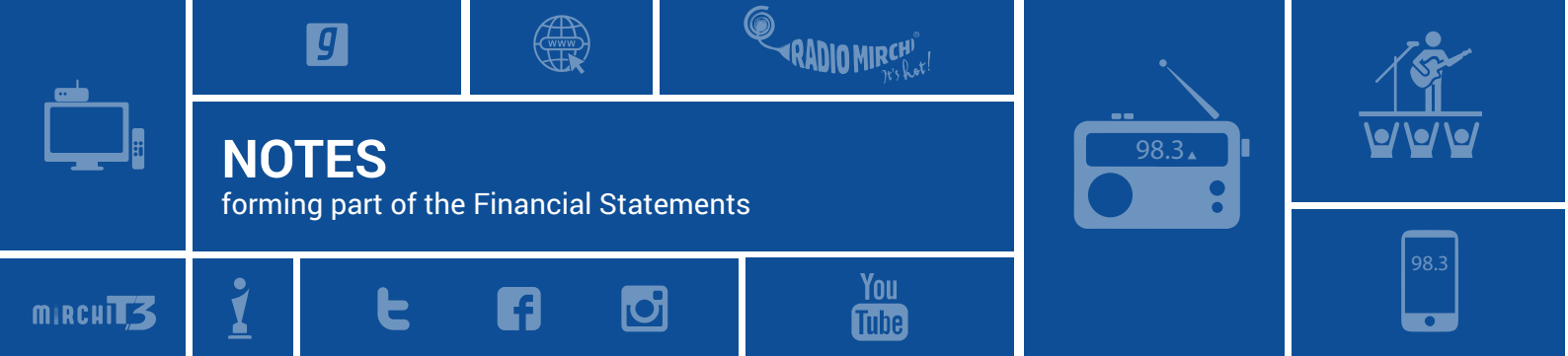
Tax expense comprises current and deferred tax. Current income tax and deferred tax are measured based on the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with tax laws which give rise to future economic benefits in the form of adjustment to future income tax liability is considered as an asset, if there is convincing evidence that the Company will pay normal tax in future. Accordingly, MAT is recognised as a deferred tax asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The Company reviews the 'Minimum Alternate Tax (MAT) Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in other comprehensive income or directly in equity. In such situations, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.



#### xiv. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset, other than goodwill, may be impaired. If any such indication exists, the Company estimates the recoverable amount of such asset. If recoverable amount of such asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical carrying value.

Goodwill is not subject to amortisation and is tested for impairment on each reporting date. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

#### xv. Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### xvi. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of approval by the Company's Board of Directors.

#### xvii. Business combinations

Business combinations are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through OCI.

#### xviii. License Fees

As per the applicable Frequency Module (FM) broadcasting policy, license fees is recognized in statement of profit and loss at the rate of 4% of gross revenue for the financial year or minimum fixed fee for the concerned city, whichever is higher. Minimum fixed fee is 2.5% of the Non-Refundable One Time Entry Fees (NOTEF).

Gross Revenue for this purpose shall mean revenue on the basis of billing rates inclusive of any taxes. Barter advertising contracts are also included in the gross revenue on the basis of relevant billing rates. NOTEF means the successful bid amount arrived at through an ascending e-auction process for private FM Radio Phase-III Channels conducted by the Ministry of Information & Broadcasting ('MIB').



# NOTES

forming part of the Financial Statements



## 1A. Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 - 'Statement of cash flows' and Ind AS 102- 'Share-based payment.' These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS 7- 'Statement of cash flows' and IFRS 2- 'Share-based payment,' respectively. The amendments are effective from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This may require inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Presently, Company does not have any share based payments. Consequently, the amendments to Ind AS 102 are currently not relevant to the Company.

## 1B. Critical estimates and / or judgements

The preparation of financial statements requires the use of accounting estimates, which 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 more 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. Current tax expense and payable - Refer Note 33 and Note 45 (b)
- b. Goodwill impairment- Refer Note 5
- c. Useful life of intangible asset - Refer Note 6
- d. Defined benefit obligation - Refer Note 37
- e. Impairment of trade receivables - Refer Note 12
- f. Recognition of deferred tax assets - Refer Note 21 and 33

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company. The estimates and judgments made by the management are believed to be reasonable under the prevailing circumstances.

**NOTE 2 : PROPERTY, PLANT AND EQUIPMENT**

(Refer Notes 1 (iii) and (xiv))

| Particulars                                            | GROSS CARRYING VALUE            |               |              |                      | DEPRECIATION        |                 |           | NET CARRYING VALUE   |                      |
|--------------------------------------------------------|---------------------------------|---------------|--------------|----------------------|---------------------|-----------------|-----------|----------------------|----------------------|
|                                                        | Deemed cost as at April 1, 2015 | Additions     | Disposals    | As at March 31, 2016 | As at April 1, 2015 | For the year    | Disposals | As at March 31, 2016 | As at March 31, 2016 |
| Building (Including compensation paid for use of land) | 58.83                           | –             | –            | 58.83                | –                   | 1.87            | –         | 1.87                 | 56.96                |
| Leasehold Improvements                                 | 537.23                          | 53.44         | 19.78        | 570.89               | –                   | 273.88          | –         | 273.88               | 297.01               |
| Office Equipments                                      | 94.16                           | 26.95         | 1.23         | 119.88               | –                   | 24.98           | –         | 24.98                | 94.90                |
| Plant and Machinery (Refer Note A)                     | 1,614.25                        | 272.34        | 9.49         | 1,877.10             | –                   | 502.59          | –         | 502.59               | 1,374.51             |
| Computers                                              | 294.32                          | 251.66        | 1.90         | 544.08               | –                   | 209.99          | –         | 209.99               | 334.09               |
| Furniture and Fixtures                                 | 24.34                           | 12.57         | 0.55         | 36.36                | –                   | 10.87           | –         | 10.87                | 25.49                |
| Motor Vehicles                                         | 8.48                            | 17.14         | 0.40         | 25.22                | –                   | 3.65            | –         | 3.65                 | 21.57                |
| <b>Total</b>                                           | <b>2,631.61</b>                 | <b>634.10</b> | <b>33.35</b> | <b>3,232.36</b>      | <b>–</b>            | <b>1,027.83</b> | <b>–</b>  | <b>1,027.83</b>      | <b>2,204.53</b>      |

| Particulars                                            | GROSS CARRYING VALUE               |                 |               |                      | DEPRECIATION        |                 |              | NET CARRYING VALUE   |                      |
|--------------------------------------------------------|------------------------------------|-----------------|---------------|----------------------|---------------------|-----------------|--------------|----------------------|----------------------|
|                                                        | Carrying value as at April 1, 2016 | Additions       | Disposals     | As at March 31, 2017 | As at April 1, 2016 | For the year    | Disposals    | As at March 31, 2017 | As at March 31, 2017 |
| Building (Including compensation paid for use of land) | 58.83                              | –               | –             | 58.83                | 1.87                | 8.59            | –            | 10.46                | 48.37                |
| Leasehold Improvements                                 | 570.89                             | 1,489.48        | –             | 2,060.37             | 273.88              | 245.63          | –            | 519.50               | 1,540.87             |
| Office Equipments                                      | 119.88                             | 50.61           | 11.67         | 158.82               | 24.98               | 29.45           | 6.75         | 47.68                | 111.14               |
| Plant and Machinery (Refer Note A)                     | 1,877.10                           | 2,894.24        | 71.17         | 4,700.17             | 502.59              | 699.93          | 55.84        | 1,146.68             | 3,553.49             |
| Computers                                              | 544.08                             | 470.69          | 20.46         | 994.31               | 209.99              | 305.50          | 14.18        | 501.31               | 493.00               |
| Furniture and Fixtures                                 | 36.36                              | 67.35           | 0.94          | 102.77               | 10.87               | 38.12           | 0.66         | 48.33                | 54.44                |
| Motor Vehicles                                         | 25.22                              | 22.91           | 5.10          | 43.03                | 3.65                | 9.25            | 3.77         | 9.13                 | 33.90                |
| <b>Total</b>                                           | <b>3,232.36</b>                    | <b>4,995.28</b> | <b>109.34</b> | <b>8,118.30</b>      | <b>1,027.83</b>     | <b>1,336.47</b> | <b>81.20</b> | <b>2,283.09</b>      | <b>5,835.21</b>      |

Note :

A. Plant and Machinery includes jointly held assets at Common Transmission Infrastructure (CTI) amounting to ₹ 1698.93 lakhs (as at March 31, 2016 : ₹ 465.75 lakhs, as at April 1, 2015 : ₹ 473.36 lakhs).

### NOTE 3 : CAPITAL WORK IN PROGRESS

| Particulars                                 | (₹ in lakhs)     |
|---------------------------------------------|------------------|
| <b>Deemed cost as at April 1, 2015</b>      | <b>Amount</b>    |
| Add : Additions for the year                | –                |
| Less: Amount Capitalized                    | 73,572.86        |
| <b>Closing balance as on March 31, 2016</b> | <b>37,909.17</b> |
| Add: Additions for the year                 | <b>35,663.69</b> |
| Less: Amount Capitalized                    | 10,588.10        |
|                                             | 39,607.97        |
| <b>Closing balance as on March 31, 2017</b> | <b>6,643.82</b>  |

Note: Capital Work in Progress includes Non refundable One Time Entry Fees (NOTEF) for new stations, borrowing cost capitalised on the same and the other assets necessary for getting the stations operationalised.

### NOTE 4 : INVESTMENT PROPERTIES

(Refer Note 1(v))

| Particulars                                 | (₹ in lakhs)  |
|---------------------------------------------|---------------|
| <b>Deemed cost as at April 1, 2015</b>      | <b>Amount</b> |
| Add : Additions for the year                | <b>101.86</b> |
| Less : Depreciation                         | 1.18          |
|                                             | –             |
| <b>Closing balance as on March 31, 2016</b> | <b>103.04</b> |
| Add : Additions for the year                | –             |
| Less : Depreciation                         | 0.25          |
| <b>Closing balance as on March 31, 2017</b> | <b>102.79</b> |
| <b>Fair value</b>                           |               |
| As at April 1, 2015                         | 113.98        |
| As at March 31, 2016                        | 113.19        |
| As at March 31, 2017                        | 125.15        |

Note: The best evidence of fair value is the current price in an active market for similar properties. The Company obtains the range of current prices of similar properties through market sources. The lowest amount in the range is considered as the fair value. To assess impairment, if any the carrying amount of the investment properties is compared to the net realisable value (i.e.fair value less cost to sell) of the investment properties.

### NOTE 5 : GOODWILL

(Refer Note 1(iv)(b))

| Particulars                                 | (₹ in lakhs)  |
|---------------------------------------------|---------------|
| <b>Deemed cost as on April 1, 2015</b>      | <b>Amount</b> |
| Less: Impairment                            | <b>46.49</b>  |
|                                             | –             |
| <b>Closing balance as on March 31,2016</b>  | <b>46.49</b>  |
| Less: Impairment                            | –             |
| <b>Closing balance as on March 31, 2017</b> | <b>46.49</b>  |

Note : The Company tests whether goodwill has suffered any impairment at each reporting date. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management covering a five-year period. This is discounted at the borrowing cost of the Company.

**NOTE 6 : OTHER INTANGIBLE ASSETS**  
(Refer Notes 1(iv)(a), 1 (iv)(c) and (xiv))

| Particulars                               | GROSS CARRYING VALUE            |                  |                 |                      | AMORTISATION        |                 |           | NET CARRYING VALUE   |
|-------------------------------------------|---------------------------------|------------------|-----------------|----------------------|---------------------|-----------------|-----------|----------------------|
|                                           | Deemed cost as at April 1, 2015 | Additions        | Disposals       | As at March 31, 2016 | As at April 1, 2015 | For the year    | Disposals | As at March 31, 2016 |
| Computer Software                         | 49.27                           | 30.94            | –               | 80.21                | –                   | 39.37           | –         | 39.37                |
| Migration Fees (Refer Note A)             | –                               | 36,804.74        | –               | 36,804.74            | –                   | 2,414.91        | –         | 2,414.91             |
| One Time Entry Fees (Refer Notes B and C) | 2,622.20                        | 426.87           | 2,476.03        | 573.04               | –                   | 124.62          | –         | 124.62               |
| <b>Total</b>                              | <b>2,671.47</b>                 | <b>37,262.55</b> | <b>2,476.03</b> | <b>37,457.99</b>     | <b>–</b>            | <b>2,578.90</b> | <b>–</b>  | <b>2,578.90</b>      |

| Particulars                               | GROSS CARRYING VALUE               |                  |           |                      | AMORTISATION        |                 |           | NET CARRYING VALUE   |
|-------------------------------------------|------------------------------------|------------------|-----------|----------------------|---------------------|-----------------|-----------|----------------------|
|                                           | Carrying value as at April 1, 2016 | Additions        | Disposals | As at March 31, 2017 | As at April 1, 2016 | For the year    | Disposals | As at March 31, 2017 |
| Computer Software                         | 80.21                              | –                | –         | 80.21                | 39.37               | 32.23           | –         | 71.60                |
| Migration Fees (Refer Note A)             | 36,804.74                          | –                | –         | 36,804.74            | 2,414.91            | 2,456.63        | –         | 4,871.54             |
| One Time Entry Fees (Refer Notes B and C) | 573.04                             | 34,612.68        | –         | 35,185.72            | 124.62              | 1,534.88        | –         | 1,659.50             |
| <b>Total</b>                              | <b>37,457.99</b>                   | <b>34,612.68</b> | <b>–</b>  | <b>72,070.67</b>     | <b>2,578.90</b>     | <b>4,023.74</b> | <b>–</b>  | <b>6,602.64</b>      |

Notes:

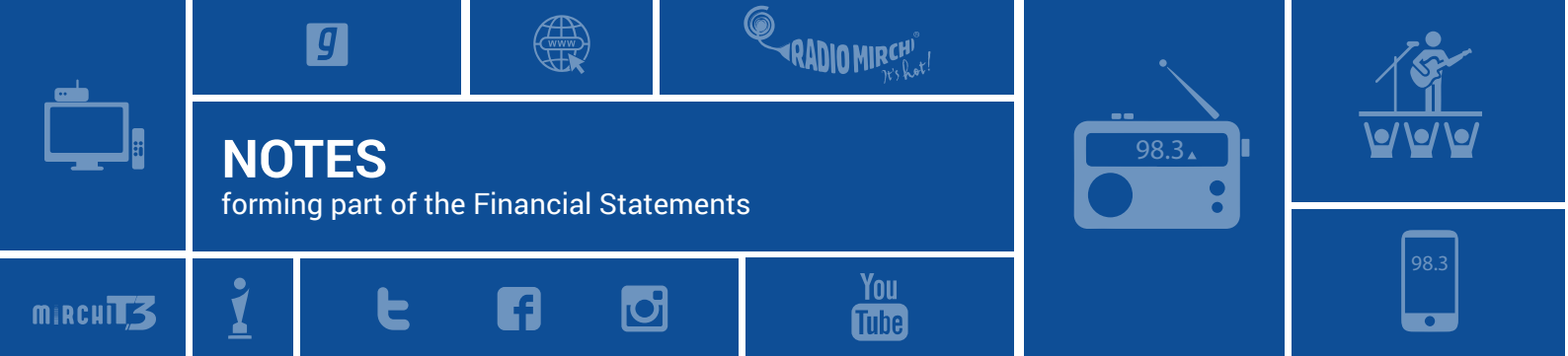
- A) As per the modified policy for expansion of FM Radio Broadcasting Services through Private Agencies (Phase III) , effective April 1, 2015 the Company was given the option to migrate all its existing licenses from Phase II regime to Phase III regime on payment of Non Refundable One Time Migration Fees ('NOTMF'). NOTMF for each station was determined based on the prescribed formula by the MIB vide its order dated January 21, 2015. The Company had exercised the option to migrate 35 out of its 36 stations (including the four stations acquired from TV Today Network Limited referred to in Note 44) from Phase II to Phase III for which the gross migration fee was ₹ 36,558.51 lakhs and the net migration fee after taking into account the residual value of the Phase II licenses was Rupees 34,082.48 lakhs . NOTMF has a remaining amortisation period of thirteen years.
- B) In the previous year, the Company won 17 new licenses in the Phase III auctions, The Company paid ₹ 33,924.23 lakhs Non Refundable One Time Entry Fees ('NOTEF') for these licences of which 3 stations are pending to be launched as on March 31, 2017. The NOTEF was partially funded through borrowings. In the current year, the Company won 21 new licenses in the Batch 2 of Phase III auctions. The Company paid a Non Refundable One Time Entry Fees ('NOTEF') of ₹ 5,140.43 lakhs for these licenses. The NOTEF was entirely funded through borrowings. None of the Batch 2 Phase III stations were operational as on March 31, 2017. All the Phase III licenses have a tenure of 15 years from the date of operationalization of such licenses.
- C) Includes borrowing cost of ₹ 1,963.84 lakhs (As at March 31, 2016: ₹ 15.76 lakhs) on account of NOTEF for stations launched during the year.

**NOTE 7: NON CURRENT INVESTMENTS**

(Refer Note 1(vii))

| Particulars                                                                                                          | (₹ in lakhs)                 |               |                              |                 |                             |                  |
|----------------------------------------------------------------------------------------------------------------------|------------------------------|---------------|------------------------------|-----------------|-----------------------------|------------------|
|                                                                                                                      | Figures as at March 31, 2017 |               | Figures as at March 31, 2016 |                 | Figures as at April 1, 2015 |                  |
|                                                                                                                      | Nos. of Shares               | Amount        | Nos. of Shares               | Amount          | Nos. of Shares              | Amount           |
| <b>Equity Investment in Subsidiary Company at cost:</b>                                                              |                              |               |                              |                 |                             |                  |
| Equity Shares of Alternate Brand Solutions (India) Limited of Rupees 10 each fully paid-up                           | 1,600,000                    | 702.50        | 1,600,000                    | 702.50          | 1,600,000                   | 702.50           |
| <b>Total equity investments (A)</b>                                                                                  |                              | <b>702.50</b> |                              | <b>702.50</b>   |                             | <b>702.50</b>    |
| <b>Investments in mutual funds carried at fair value through Profit and Loss</b>                                     | <b>Nos.of Units</b>          | <b>Amount</b> | <b>Nos. of Units</b>         | <b>Amount</b>   | <b>Nos. of Units</b>        | <b>Amount</b>    |
| Non-Trade, Non-Current (Unquoted - Mutual Funds)                                                                     |                              |               |                              |                 |                             |                  |
| Axis Treasury Advantage Fund - Direct - Growth, of ₹ 1,000 each                                                      | -                            | -             | -                            | -               | 81,213                      | 1,271.80         |
| DHFL Pramerica Insta Cash Plus Fund - Bonus, of ₹ 100 each (formerly DWS Insta Cash fund)                            | -                            | -             | 323,887                      | 434.85          | 314,660                     | 401.70           |
| DHFL Pramerica Low Duration Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Cash Opportunities Fund)   | -                            | -             | -                            | -               | 4,161,594                   | 462.03           |
| DHFL Pramerica Short Maturity Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Short Maturity Fund)     | -                            | -             | -                            | -               | 1,154,308                   | 197.41           |
| DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth, of ₹ 10 each (formerly DWS Ultra Short Term Fund)       | -                            | -             | 11,826,886                   | 2,174.57        | -                           | -                |
| Edelweiss India Liquid Fund -Direct Plan - Growth, of ₹ 10 each (formerly JP Morgan India Treasury Fund)             | -                            | -             | 6,121,798                    | 697.52          | -                           | -                |
| Franklin India Treasury Management Account - Super Institutional Plan - Direct - Growth, of ₹ 1,000 each             | -                            | -             | -                            | -               | 110,296                     | 2,305.06         |
| ICICI Prudential Flexible Income - Direct Plan - Growth, of Rupees 100 each                                          | -                            | -             | -                            | -               | 869,636                     | 2,291.84         |
| Invesco Ultra Short Term Fund - Direct Plan Bonus, of ₹ 1,000 each (formerly Religare Invesco Ultra Short Term Fund) | -                            | -             | 67,228                       | 787.23          | 67,228                      | 725.10           |
| JP MORGAN India Liquid Fund -Direct Plan - Growth, of ₹ 10 each                                                      | -                            | -             | -                            | -               | 6,121,798                   | 646.77           |
| Religare Invesco Credit Opportunities Fund - Direct Plan - Growth, of ₹ 1,000 each                                   | -                            | -             | -                            | -               | 80,300                      | 1,286.52         |
| Sundaram Flexi Fund ST Plan Direct Plan Bonus, of ₹ 10 each                                                          | -                            | -             | -                            | -               | 5,105,654                   | 564.25           |
| Sundaram Select Debt ST Asset Direct Bonus, of ₹ 10 each                                                             | -                            | -             | -                            | -               | 2,404,436                   | 293.77           |
| Sundaram Flexible Fund ST Plan - Direct Plan - Growth, of ₹ 10 each                                                  | -                            | -             | -                            | -               | 5,227,993                   | 1,154.85         |
| Sundaram Money Fund - Direct Plan - Growth, of ₹ 10 each                                                             | -                            | -             | -                            | -               | 8,787,920                   | 2,593.91         |
| UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth, of ₹ 1,000 each                             | -                            | -             | -                            | -               | 41,743                      | 794.59           |
| <b>Total investments in mutual funds (B)</b>                                                                         | <b>-</b>                     | <b>-</b>      | <b>18,339,799</b>            | <b>4,094.17</b> | <b>34,528,779</b>           | <b>14,989.60</b> |
| <b>Total Non -Current Investments (A)+(B)</b>                                                                        |                              | <b>702.50</b> |                              | <b>4,796.67</b> |                             | <b>15,692.10</b> |

Note: Aggregate amount of unquoted Instruments is ₹ Nil (March 31, 2016: ₹ 4,094.17 lakhs, April 1, 2015: ₹ 14,989.60 lakhs)



# NOTES

forming part of the Financial Statements

(₹ in lakhs)

|                                                                                                                                                        | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>April 1, 2015 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>NOTE 8 : LOANS</b>                                                                                                                                  |                                 |                                 |                                |
| (Unsecured, considered good, unless otherwise stated)                                                                                                  |                                 |                                 |                                |
| <b>Deposits</b>                                                                                                                                        |                                 |                                 |                                |
| From related party                                                                                                                                     | 100.00                          | 100.00                          | 100.00                         |
| Others                                                                                                                                                 | 1,779.77                        | 1,670.55                        | 1,013.32                       |
| Employee loans                                                                                                                                         | 2.00                            | 3.00                            | 1.00                           |
|                                                                                                                                                        | <b>1,881.77</b>                 | <b>1,773.55</b>                 | <b>1,114.32</b>                |
| <b>NOTE 9 : OTHER NON CURRENT FINANCIAL ASSETS</b>                                                                                                     |                                 |                                 |                                |
| Non current bank balances (margin money deposits)                                                                                                      | —                               | —                               | 653.21                         |
|                                                                                                                                                        | <b>—</b>                        | <b>—</b>                        | <b>653.21</b>                  |
| <b>NOTE 10 : OTHER NON CURRENT ASSETS</b>                                                                                                              |                                 |                                 |                                |
| Capital advances                                                                                                                                       | 804.88                          | 1,928.98                        | 0.65                           |
| Advance tax and tax deducted at source [Net of provision of ₹ 17,444.32 lakhs (March 31, 2016 : ₹ 15,481.58 lakhs, April 1, 2015 : ₹ 12,369.08 lakhs)] | 129.79                          | 146.83                          | 40.11                          |
| Others                                                                                                                                                 | 14.05                           | 14.05                           | —                              |
|                                                                                                                                                        | <b>948.72</b>                   | <b>2,089.86</b>                 | <b>40.76</b>                   |

NOTE 11 : CURRENT INVESTMENTS (Refer Note 1 (viii))

| Particulars                                                                                                          | Figures as at March 31, 2017 |                  | Figures as at March 31, 2016 |                  | (₹ in lakhs)  |                  |
|----------------------------------------------------------------------------------------------------------------------|------------------------------|------------------|------------------------------|------------------|---------------|------------------|
|                                                                                                                      | Nos. of Units                | Amount           | Nos. of Units                | Amount           | Nos. of Units | Amount           |
| <b>Non-Trade, Current (Unquoted - Mutual Funds) at Fair value through profit and loss</b>                            |                              |                  |                              |                  |               |                  |
| Axis Treasury Advantage Fund - Direct - Growth, of ₹ 1,000 each                                                      | -                            | -                | 81,213                       | 1,385.20         | -             | -                |
| Birla Sun Life Cash - Direct Plan - Growth, of ₹ 100 each                                                            | -                            | -                | -                            | -                | 1,165,859     | 2,618.48         |
| DHFL Pramerica Insta Cash Plus Fund - Bonus, of ₹ 100 each (formerly DWS Insta Cash fund)                            | 323,887                      | 466.60           | -                            | -                | -             | -                |
| DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth, of ₹ 10 each (formerly DWS Ultra Short Term Fund)       | 9,541,135                    | 1,891.66         | -                            | -                | 11,826,886    | 1,993.35         |
| DHFL Pramerica Short Maturity Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Short Maturity Fund)     | 1,154,308                    | 237.65           | 1,154,308                    | 215.08           | -             | -                |
| DHFL Pramerica Low Duration Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Cash Opportunities Fund)   | 4,161,594                    | 548.62           | 4,161,594                    | 504.80           | -             | -                |
| DSP Blackrock Liquid Fund - Direct Plan - Growth, of ₹ 1,000 each                                                    | 143,517                      | 3,337.88         | -                            | -                | -             | -                |
| Edelweiss India Liquid Fund -Direct Plan - Growth, of ₹ 10 each (formerly JP Morgan India Treasury Fund)             | 6,121,798                    | 744.53           | -                            | -                | -             | -                |
| Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth, of ₹ 10 each                        | -                            | -                | -                            | -                | 18,591,647    | 3,451.69         |
| Franklin India Treasury Management Account - Super Institutional Plan - Direct - Growth, of ₹ 1,000 each             | -                            | -                | 110,296                      | 2,499.73         | -             | -                |
| HDFC Banking and PSU Debt Fund - Direct - Growth, of ₹ 10 each                                                       | -                            | -                | -                            | -                | 26,939,643    | 2,973.01         |
| ICICI Prudential Liquid - Direct Plan - Growth, of ₹ 100 each                                                        | 157,625                      | 379.43           | 795,099                      | 1,783.30         | 435,540       | 902.00           |
| ICICI Prudential Savings Plan - Direct Plan - Growth, of ₹ 10 each                                                   | -                            | -                | -                            | -                | 190,689       | 400.83           |
| ICICI Prudential Blended Plan A - Direct Plan - Dividend Reinvestment, of ₹ 10 each                                  | -                            | -                | -                            | -                | 27,116,370    | 3,674.24         |
| ICICI Prudential Flexible Income - Direct Plan - Growth, of ₹ 100 each                                               | -                            | -                | 869,636                      | 2,495.81         | -             | -                |
| IDFC Arbitrage Fund - Dividend - (Direct Plan), of ₹ 10 each                                                         | -                            | -                | -                            | -                | 53,683,332    | 6,826.59         |
| Invesco Ultra Short Term Fund - Direct Plan Bonus, of ₹ 1,000 each (formerly Religare Invesco Ultra Short Term Fund) | 67,228                       | 854.01           | -                            | -                | -             | -                |
| JP Morgan India Treasury Fund Direct Plan - Growth, of ₹ 10 each                                                     | -                            | -                | -                            | -                | 19,021,524    | 3,504.39         |
| Kotak Equity Arbitrage Fund-Direct Plan -Monthly Dividend, of ₹ 10 each                                              | -                            | -                | -                            | -                | 51,087,663    | 5,579.03         |
| Kotak Liquid Scheme Plan A - Direct Plan - Growth, of ₹ 1,000 each                                                   | -                            | -                | -                            | -                | 107,979       | 3,066.35         |
| Kotak Treasury Advantage Fund - Direct Plan - Growth, of ₹ 10 each                                                   | -                            | -                | -                            | -                | 454,351       | 101.70           |
| Religare Invesco Credit Opportunities Fund - Direct Plan - Growth, of ₹ 1,000 each                                   | -                            | -                | 80,300                       | 1,400.42         | -             | -                |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan - Growth Option, of ₹ 1,000 each                      | -                            | -                | -                            | -                | 59,921        | 2,044.06         |
| Reliance Money Manager Fund - Direct Growth Plan - Growth Option, of ₹ 1,000 each                                    | -                            | -                | -                            | -                | 62,342        | 1,203.57         |
| Sundaram Ultra Short Term Fund - Direct Plan - Growth, of ₹ 10 each                                                  | 5,674,049                    | 1,288.73         | 11,931,367                   | 2,503.11         | 11,931,367    | 2,303.83         |
| Sundaram Flexible Fund ST Plan - Direct Plan - Growth, of ₹ 10 each                                                  | -                            | -                | 5,227,993                    | 1,252.60         | -             | -                |
| Sundaram Select Debt ST Asset Direct Bonus, of ₹ 10 each                                                             | 2,404,436                    | 348.32           | 2,404,436                    | 318.06           | -             | -                |
| Sundaram Flexi Fund ST Plan Direct Plan Bonus, of ₹ 10 each                                                          | 5,105,654                    | 657.01           | 5,105,654                    | 612.01           | -             | -                |
| Sundaram Money Fund - Direct Plan - Growth, of ₹ 10 each                                                             | -                            | -                | 8,787,920                    | 2,808.23         | -             | -                |
| Tata Fixed Maturity Plan Series 47 Scheme D-Direct Plan-Growth, of ₹ 10 each                                         | -                            | -                | -                            | -                | 15,000,000    | 1,645.33         |
| UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth, of ₹ 1,000 each                             | -                            | -                | 41,743                       | 865.72           | -             | -                |
| <b>Total Current Investments</b>                                                                                     |                              | <b>10,754.44</b> |                              | <b>18,644.07</b> |               | <b>42,288.45</b> |

Note: Aggregate amount of unquoted Instruments is ₹ 10,754.44 lakhs (March 31, 2016 : ₹ 18,644.07 lakhs, April 1, 2015 : ₹ 42,288.45 lakhs)

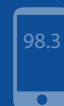


# NOTES

forming part of the Financial Statements



MIRCHI 3



(₹ in lakhs)

|                                                                                              | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|----------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 12 : TRADE RECEIVABLES</b><br>(Refer Note 1 (viii))                                  |                                 |                                 |                                 |
| <b>Unsecured, considered good</b>                                                            |                                 |                                 |                                 |
| From related party                                                                           | 629.01                          | 1,290.31                        | 823.62                          |
| From others                                                                                  | 15,586.43                       | 12,739.39                       | 11,662.37                       |
|                                                                                              | <b>16,215.44</b>                | <b>14,029.70</b>                | <b>12,485.99</b>                |
| <b>Unsecured, considered doubtful</b>                                                        |                                 |                                 |                                 |
| From related party                                                                           | —                               | —                               | —                               |
| From others                                                                                  | 2,316.11                        | 1,628.76                        | 1,436.44                        |
|                                                                                              | <b>2,316.11</b>                 | <b>1,628.76</b>                 | <b>1,436.44</b>                 |
|                                                                                              | 18,531.55                       | 15,658.46                       | 13,922.43                       |
| Less: Provision for doubtful debts                                                           | (2,316.11)                      | (1,628.76)                      | (1,436.44)                      |
|                                                                                              | <b>16,215.44</b>                | <b>14,029.70</b>                | <b>12,485.99</b>                |
| <b>NOTE 13 : CASH AND CASH EQUIVALENTS</b><br>(Refer Note 1 (xi))                            |                                 |                                 |                                 |
| Cheques on hand                                                                              | 363.30                          | 161.91                          | 83.67                           |
| Cash on hand                                                                                 | —                               | 1.06                            | —                               |
| Balances with banks :                                                                        |                                 |                                 |                                 |
| Current Accounts                                                                             | 1,491.14                        | 1,451.13                        | 1,339.45                        |
|                                                                                              | <b>1,854.44</b>                 | <b>1,614.10</b>                 | <b>1,423.12</b>                 |
| <b>NOTE 14 : OTHER BANK BALANCES</b><br>(Refer Note 1 (xi))                                  |                                 |                                 |                                 |
| On Unpaid dividend account                                                                   | 0.65                            | 0.52                            | 0.41                            |
| Balances with bank held as security against guarantees issued by banks                       |                                 |                                 |                                 |
| Margin money deposits                                                                        | 4.28                            | 362.65                          | —                               |
|                                                                                              | <b>4.93</b>                     | <b>363.17</b>                   | <b>0.41</b>                     |
| <b>NOTE 15 : OTHER CURRENT FINANCIAL ASSETS</b>                                              |                                 |                                 |                                 |
| Due from related parties                                                                     | 1.09                            | 0.30                            | 0.28                            |
| Deposits                                                                                     | 109.50                          | 32.85                           | 3.96                            |
| Interest accrued on deposits                                                                 | 0.03                            | 3.34                            | 22.56                           |
| Unbilled Revenue                                                                             | 200.00                          | —                               | —                               |
|                                                                                              | <b>310.62</b>                   | <b>36.49</b>                    | <b>26.80</b>                    |
| <b>NOTE 16 : OTHER CURRENT ASSETS</b><br>(Unsecured considered good unless otherwise stated) |                                 |                                 |                                 |
| Prepaid expenses                                                                             | 930.26                          | 987.57                          | 504.70                          |
| Advances recoverable in cash or in kind or for value to be received                          | 1,781.54                        | 740.17                          | 426.29                          |
| Others                                                                                       | 43.29                           | 25.28                           | 25.00                           |
|                                                                                              | <b>2,755.09</b>                 | <b>1,753.02</b>                 | <b>955.99</b>                   |

## NOTES

forming part of the Financial Statements



(₹ in lakhs)

|                                                                                                               | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|---------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 17 : EQUITY SHARE CAPITAL</b>                                                                         |                                 |                                 |                                 |
| <b>Authorised Capital</b>                                                                                     |                                 |                                 |                                 |
| 120,000,000 (March 31, 2016 : 120,000,000, April 1, 2015 : 120,000,000) Equity Shares of ₹ 10 each            | 12,000                          | 12,000                          | 12,000                          |
| <b>Issued and Subscribed</b>                                                                                  |                                 |                                 |                                 |
| 47,670,415 (March 31, 2016 : 47,670,415, April 1, 2015 : 47,670,415) Equity Shares of ₹ 10 each fully paid-up | 4,767.04                        | 4,767.04                        | 4,767.04                        |
|                                                                                                               | <b>4,767.04</b>                 | <b>4,767.04</b>                 | <b>4,767.04</b>                 |

Notes:

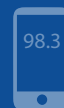
## (a) Terms attached to equity shares

The Company has only one class of equity shares. Each shareholder is eligible for one vote per share held. The par value per share is ₹ 10. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.

| (b) Shares held by Holding company and Ultimate holding company                                                         | Shares (nos.)                   | Shares (nos.)                   | Shares (nos.)                   |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| i) Equity Shares of ₹ 10 each held by Times Infotainment Media Limited, the erstwhile Holding Company. (Refer Notes 43) | —                               | 30,526,560                      | 30,526,560                      |
| ii) Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited, the Holding Company. (Refer Notes 43)        | 33,918,400                      | 3,391,840                       | 3,391,840                       |
| <b>(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company</b>           | <b>Shares (nos.)<br/>(in %)</b> | <b>Shares (nos.)<br/>(in %)</b> | <b>Shares (nos.)<br/>(in %)</b> |
| i) Times Infotainment Media Limited, the erstwhile Holding Company. (Refer Note 43)                                     | —<br>—                          | 30,526,560<br>(64.04%)          | 30,526,560<br>(64.04%)          |
| ii) Bennett, Coleman & Company Limited, the Holding Company. (Refer Note 43)                                            | 33,918,400<br>(71.16%)          | 3,391,840<br>(7.12%)            | 3,391,840<br>(7.12%)            |

**NOTE 18 : OTHER EQUITY**

|                                                                                                             |                  |                  |                  |
|-------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Securities Premium Account                                                                                  | 18,852.16        | 18,852.16        | 18,852.16        |
| Retained Earnings                                                                                           | 61,847.42        | 57,022.53        | 46,783.62        |
|                                                                                                             | <b>80,699.58</b> | <b>75,874.69</b> | <b>65,635.78</b> |
| <b>Securities Premium Account</b>                                                                           | 18,852.16        | 18,852.16        | 18,852.16        |
|                                                                                                             | <b>18,852.16</b> | <b>18,852.16</b> | <b>18,852.16</b> |
| <b>Retained Earnings</b>                                                                                    |                  |                  |                  |
| Balance as at beginning of the year                                                                         | 57,022.53        | 46,783.62        | 34,398.33        |
| Add : Profit for the year                                                                                   | 5,398.64         | 10,812.66        | 10,597.21        |
| Add : Opening Ind AS adjustment                                                                             | —                | —                | 2,371.32         |
| Proposed Dividend on equity shares<br>[per share ₹ 1.00 (March 31, 2016 : ₹ 1.00), April 1, 2015 : ₹ 1.00]] | (476.70)         | (476.70)         | —                |
| Dividend distribution tax                                                                                   | (97.05)          | (97.05)          | —                |
| Less: Adjustments due to change in rates of depreciation<br>(Net of deferred tax)                           | —                | —                | (583.24)         |
| <b>Closing Balance as at the end of the year</b>                                                            | <b>61,847.42</b> | <b>57,022.53</b> | <b>46,783.62</b> |



# NOTES

forming part of the Financial Statements

MIRCHI 3



(₹ in lakhs)

|                                                                                                                                                                                                                                                                                                                                                                | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 19 : OTHER NON CURRENT FINANCIAL LIABILITIES</b>                                                                                                                                                                                                                                                                                                       |                                 |                                 |                                 |
| Security deposit                                                                                                                                                                                                                                                                                                                                               | —                               | —                               | 29.88                           |
|                                                                                                                                                                                                                                                                                                                                                                | —                               | —                               | <b>29.88</b>                    |
| <b>NOTE 20 : EMPLOYEE BENEFIT OBLIGATIONS</b>                                                                                                                                                                                                                                                                                                                  |                                 |                                 |                                 |
| <b>Provision for employee benefits</b>                                                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| Provision for gratuity (Refer Notes 1(ix) and 37)                                                                                                                                                                                                                                                                                                              | 708.13                          | 570.08                          | 487.73                          |
| Provision for compensated absences (Refer Notes 1(ix))                                                                                                                                                                                                                                                                                                         | 183.63                          | 153.46                          | 193.42                          |
|                                                                                                                                                                                                                                                                                                                                                                | <b>891.76</b>                   | <b>723.54</b>                   | <b>681.15</b>                   |
| <b>NOTE 21 : DEFERRED TAX LIABILITIES (NET)</b><br>(Refer Note 1(xiii))                                                                                                                                                                                                                                                                                        |                                 |                                 |                                 |
| Deferred tax assets and liabilities are attributable to the following items :                                                                                                                                                                                                                                                                                  |                                 |                                 |                                 |
| <b>Assets :</b>                                                                                                                                                                                                                                                                                                                                                |                                 |                                 |                                 |
| Provision for doubtful debts                                                                                                                                                                                                                                                                                                                                   | 801.56                          | 563.68                          | 497.12                          |
| Provision for compensated absences                                                                                                                                                                                                                                                                                                                             | 91.53                           | 77.03                           | 81.91                           |
| Provision for gratuity                                                                                                                                                                                                                                                                                                                                         | 268.52                          | 217.79                          | 172.40                          |
| MAT credit entitlement                                                                                                                                                                                                                                                                                                                                         | 2,240.99                        | 537.93                          | —                               |
| Business loss carried forward                                                                                                                                                                                                                                                                                                                                  | 1,213.16                        | —                               | —                               |
| Others                                                                                                                                                                                                                                                                                                                                                         | 545.20                          | 594.67                          | 755.62                          |
|                                                                                                                                                                                                                                                                                                                                                                | <b>5,160.96</b>                 | <b>1,991.10</b>                 | <b>1,507.05</b>                 |
| <b>Liability :</b>                                                                                                                                                                                                                                                                                                                                             |                                 |                                 |                                 |
| Depreciation                                                                                                                                                                                                                                                                                                                                                   | 5,609.48                        | 1,923.49                        | (242.68)                        |
| Gain on fair valuation of investments                                                                                                                                                                                                                                                                                                                          | 530.02                          | 655.31                          | 578.51                          |
| Others                                                                                                                                                                                                                                                                                                                                                         | 12.50                           | 8.33                            | —                               |
|                                                                                                                                                                                                                                                                                                                                                                | <b>6,152.00</b>                 | <b>2,587.13</b>                 | <b>335.83</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                | <b>991.04</b>                   | <b>596.03</b>                   | <b>(1,171.22)</b>               |
| <b>NOTE 22 : SHORT TERM BORROWINGS</b>                                                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| Unsecured Loans                                                                                                                                                                                                                                                                                                                                                |                                 |                                 |                                 |
| Commercial Papers                                                                                                                                                                                                                                                                                                                                              | 12,319.09                       | 25,008.45                       | —                               |
|                                                                                                                                                                                                                                                                                                                                                                | <b>12,319.09</b>                | <b>25,008.45</b>                | <b>—</b>                        |
| Unlisted Commercial Papers having face value of ₹ 13,000.00 lakhs were issued on January 24, 2017 for a tenure of 364 days at a yield of 6.75% p.a. on the issue price. During the previous year, Commercial Papers having face value of ₹ 27,000.00 lakhs were issued on March 18, 2016 for a tenure of 364 days at a yield of 8.25% p.a. on the issue price. |                                 |                                 |                                 |
| <b>NOTE 23 : TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                                                                |                                 |                                 |                                 |
| Payable to related parties                                                                                                                                                                                                                                                                                                                                     | 0.96                            | 177.99                          | 235.22                          |
| Other Trade payables (Refer Note 35)                                                                                                                                                                                                                                                                                                                           | 11,158.12                       | 7,820.08                        | 7,169.61                        |
|                                                                                                                                                                                                                                                                                                                                                                | <b>11,159.08</b>                | <b>7,998.07</b>                 | <b>7,404.83</b>                 |



# NOTES

forming part of the Financial Statements



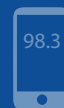
(₹ in lakhs)

|                                                       | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|-------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES</b>  |                                 |                                 |                                 |
| Unpaid dividend                                       | 0.65                            | 0.52                            | 0.41                            |
| Security deposit                                      | 22.76                           | 29.88                           | 7.78                            |
|                                                       | <b>23.41</b>                    | <b>30.40</b>                    | <b>8.19</b>                     |
| <b>NOTE 25 : OTHER CURRENT LIABILITIES</b>            |                                 |                                 |                                 |
| Advance from customers                                | 631.01                          | 474.23                          | 596.71                          |
| Statutory dues                                        | 520.36                          | 460.52                          | 393.69                          |
| Employee dues                                         | 1,300.00                        | 1,780.00                        | 1,700.00                        |
| Provision for bonus                                   | 61.52                           | 144.35                          | 21.03                           |
| Others                                                | 11.80                           | 11.80                           | 11.80                           |
|                                                       | <b>2,524.69</b>                 | <b>2,870.90</b>                 | <b>2,723.23</b>                 |
| <b>NOTE 26 : EMPLOYEE BENEFIT OBLIGATIONS</b>         |                                 |                                 |                                 |
| <b>Provision for employee benefits</b>                |                                 |                                 |                                 |
| Provision for gratuity (Refer Notes 1(ix) and 37)     | 67.75                           | 59.22                           | 10.42                           |
| Provision for compensated absences (Refer Note 1(ix)) | 80.85                           | 69.13                           | 43.28                           |
|                                                       | <b>148.60</b>                   | <b>128.35</b>                   | <b>53.70</b>                    |



# NOTES

forming part of the Financial Statements



MIRCHI3



(₹ in lakhs)

|                                                                       | 2016-17          | 2015-16          |
|-----------------------------------------------------------------------|------------------|------------------|
| <b>NOTE 27 : REVENUE FROM OPERATIONS AND OTHER OPERATING INCOME</b>   |                  |                  |
| Sale of services (Refer Note 1(ii))                                   | 54,085.23        | 48,478.17        |
| Digital revenues, service fee, marketing & sales commission           | 861.23           | 736.17           |
|                                                                       | <b>54,946.46</b> | <b>49,214.34</b> |
| Other operating income                                                |                  |                  |
| Provision no longer required written back                             | 614.26           | 1,522.88         |
| Others                                                                | 91.30            | 123.25           |
|                                                                       | <b>705.56</b>    | <b>1,646.13</b>  |
| <b>NOTE 28 : OTHER INCOME</b>                                         |                  |                  |
| Interest income (Refer Note 1(viii))                                  |                  |                  |
| On fixed deposits                                                     | 2.29             | 39.88            |
| On fair valuation of deposits                                         | 11.20            | 1.08             |
| On others                                                             | 3.94             | 4.21             |
| Dividend income on current investments (Refer Note 1(viii))           | –                | 477.06           |
| Profit on sale of current investments (net) (Refer Note 1(viii))      | 1,355.05         | 1,906.85         |
| Gain on fair valuation of investments                                 | 541.96           | 913.19           |
| Rent income                                                           | 42.56            | 79.49            |
| Miscellaneous Income                                                  | 2.11             | 3.80             |
|                                                                       | <b>1,959.11</b>  | <b>3,425.56</b>  |
| <b>NOTE 29 : EMPLOYEE BENEFITS EXPENSE</b>                            |                  |                  |
| Salaries, wages and bonus                                             | 9,655.69         | 8,541.23         |
| Contributions to provident and other funds (Refer Notes 1(ix) and 37) | 327.72           | 271.66           |
| Gratuity (Refer Notes 1(ix) and 37)                                   | 124.94           | 197.93           |
| Staff welfare expenses                                                | 429.17           | 372.98           |
|                                                                       | <b>10,537.52</b> | <b>9,383.80</b>  |
| <b>NOTE 30 : FINANCE COST</b>                                         |                  |                  |
| Interest expense                                                      |                  |                  |
| On Commercial Papers                                                  | 1,356.14         | 3.23             |
| On others                                                             | 0.84             | 0.36             |
|                                                                       | <b>1,356.98</b>  | <b>3.59</b>      |
| <b>NOTE 31 : DEPRECIATION AND AMORTISATION</b>                        |                  |                  |
| Depreciation (Refer Note 1(iii))                                      | 1,336.72         | 1,027.83         |
| Amortisation (Refer Note 1(iv))                                       | 4,023.74         | 2,578.90         |
|                                                                       | <b>5,360.46</b>  | <b>3,606.73</b>  |



# NOTES

forming part of the Financial Statements



(₹ in lakhs)

|                                                                                | 2016-17          | 2015-16          |
|--------------------------------------------------------------------------------|------------------|------------------|
| <b>NOTE 32 : OPERATING AND OTHER EXPENSES</b>                                  |                  |                  |
| Royalty                                                                        | 1,949.67         | 1,400.45         |
| Programming expenses                                                           | 597.64           | 385.27           |
| Technical costs                                                                | 121.33           | 85.03            |
| License fees (Refer Note 1(xviii))                                             | 3,336.62         | 2,618.58         |
| Rent                                                                           | 2,660.95         | 1,931.45         |
| Rates and taxes                                                                | 125.27           | 67.25            |
| Power and fuel                                                                 | 1,274.33         | 1,155.16         |
| Marketing                                                                      | 12,941.70        | 9,974.17         |
| Cost of Sales                                                                  | 3,093.07         | 2,552.44         |
| Travelling and Conveyance                                                      | 1,347.63         | 1,160.72         |
| Insurance                                                                      | 74.77            | 83.81            |
| Communication                                                                  | 162.43           | 131.91           |
| <b>Repairs and maintenance on :</b>                                            |                  |                  |
| Buildings                                                                      | 27.14            | 24.25            |
| Plant and Machinery                                                            | 875.82           | 782.02           |
| Others                                                                         | 405.16           | 327.96           |
| Legal and professional fees                                                    | 1,184.71         | 1,288.74         |
| Software expenses (Refer Note 1(iv)(c))                                        | 360.14           | 286.71           |
| <b>Payments to auditors</b>                                                    |                  |                  |
| As Auditors:                                                                   |                  |                  |
| Audit fee                                                                      | 36.18            | 36.15            |
| Other services                                                                 | 3.02             | 3.51             |
| Reimbursement of expenses                                                      | 2.59             | 1.92             |
|                                                                                | 41.79            | 41.58            |
| Bad debts written off                                                          | 178.11           | 199.28           |
| Provision for doubtful debts                                                   | 808.17           | 671.65           |
| Provision for doubtful debts withdrawn                                         | (120.82)         | (479.33)         |
|                                                                                | 687.35           | 192.32           |
| Tangible assets written off                                                    | 26.32            | 32.60            |
| Director's sitting fees and commission                                         | 38.09            | 27.90            |
| Expenditure towards Corporate Social Responsibility Activities (Refer Note 42) | 233.05           | 200.84           |
| Miscellaneous expenses                                                         | 781.86           | 679.44           |
|                                                                                | <b>32,524.95</b> | <b>25,629.88</b> |

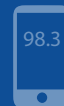


# NOTES

forming part of the Financial Statements



MIRCHI 3



## 33. INCOME TAX EXPENSE

- a. The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

|                                                           | (₹ in lakhs)    |                 |
|-----------------------------------------------------------|-----------------|-----------------|
| Particulars                                               | March 31, 2017  | March 31, 2016  |
| <b>Income tax expense</b>                                 |                 |                 |
| Current tax                                               | 1,963.00        | 3,088.93        |
| <b>Deferred tax</b>                                       |                 |                 |
| Decrease / (increase) in deferred tax assets              | (1469.63)       | 78.51           |
| Unused tax credits                                        | (1703.06)       | (537.93)        |
| (Decrease) / increase in deferred tax liabilities         | 3,564.86        | 2,251.29        |
| <b>Total deferred tax expense</b>                         | <b>392.17</b>   | <b>1791.87</b>  |
| Deferred tax of earlier years                             | 2.84            | (0.64)          |
| <b>Income tax expense</b>                                 | <b>2,358.01</b> | <b>4,880.16</b> |
| <b>Out of above Recognised in:</b>                        |                 |                 |
| <b>Statement of profit and loss as total tax expenses</b> | <b>2,383.82</b> | <b>4,869.50</b> |
| <b>Other Comprehensive Income</b>                         | <b>(25.81)</b>  | <b>10.66</b>    |

- b. Reconciliation of income tax expenses and the accounting profit multiplied by tax rate for the year ended:

|                                                               | (₹ in lakhs)    |                 |
|---------------------------------------------------------------|-----------------|-----------------|
| Particulars                                                   | March 31, 2017  | March 31, 2016  |
| Profit before taxation                                        | 7,831.22        | 15,662.03       |
| Tax at the maximum tax rate of 34.61%                         | 2,710.23        | 5,420.32        |
| <b>Tax effect of Non-deductible expenses for tax purposes</b> |                 |                 |
| Tax saving due to Capital Gains                               | (353.32)        | (419.93)        |
| Dividend income received                                      | —               | (165.10)        |
| Disallowances                                                 | 40.33           | 34.47           |
| Tax on Other Comprehensive Income                             | (25.81)         | 10.66           |
| Others                                                        | (13.42)         | (0.26)          |
| <b>Tax expenses as per profit and loss account</b>            | <b>2,358.01</b> | <b>4,880.16</b> |

## 34. COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

Estimated amount of capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

|                               | (₹ in lakhs)    |               |
|-------------------------------|-----------------|---------------|
| Particulars                   | 2016-17         | 2015-16       |
| Property, Plant and Equipment | 1,168.56        | 310.31        |
| <b>Total</b>                  | <b>1,168.56</b> | <b>310.31</b> |

## 35. TRADE PAYABLES

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

## NOTES

forming part of the Financial Statements



## 36. DIVIDEND

(₹ in lakhs)

| Particulars                                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Dividend proposed for the year is as follows:             |                         |                         |
| On equity shares of ₹ 10 each Amount of dividend proposed | 476.70                  | 476.70                  |
| Dividend per equity share (in ₹)                          | 1.00                    | 1.00                    |

Subsequent to the year end, the Board of directors recommended a final dividend of ₹ 1 per fully paid ordinary share for the year ended March 31, 2017.

## 37. The Company has classified the various employee benefits provided to employees as under :

## I) Defined Contribution Plans

- Provident Fund
- Employee's Pension Scheme
- Employee State Insurance Scheme
- National Pension Scheme

During the year, the Company has recognised the following amounts in the statement of profit and loss: -

(₹ in lakhs)

| Particulars                                                   | 2016-2017 | 2015-2016 |
|---------------------------------------------------------------|-----------|-----------|
| – Employers' Contribution to Provident Fund*                  | 202.23    | 169.26    |
| – Employers' Contribution to Employee's Pension Scheme 1995*  | 113.48    | 89.70     |
| – Employers' Contribution to Employee State Insurance Scheme* | 1.67      | 1.47      |
| – Employers' Contribution to National Pension Scheme*         | 10.34     | 11.22     |

\* Included in Contributions to Provident and Other Funds (Refer Note 29)

## II) Defined Benefit Plans

Post-employment obligations

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 liability in respect of gratuity is uncapped and is not restricted to ₹ 10 lakhs.

In accordance with Ind AS 19, actuarial valuation was done in respect of the aforesaid Defined Benefit Plan of gratuity (unfunded) based on the following assumptions :-

| Particulars                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------|-------------------------|-------------------------|
| Discount Rate (per annum)               | 6.81%                   | 7.84%                   |
| Rate of increase in Compensation levels | 8.00%                   | 8.00%                   |

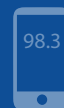


# NOTES

forming part of the Financial Statements



MIRCHI3



## A) Changes in the Present Value of Obligation

(₹ in lakhs)

| Particulars                                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Obligation at the beginning of the year | 629.30                  | 498.15                  |
| Interest Cost                                            | 49.34                   | 40.00                   |
| Past Service Cost                                        | —                       | 77.78                   |
| Current Service Cost                                     | 75.61                   | 80.15                   |
| Benefits Paid                                            | (55.08)                 | (41.01)                 |
| Actuarial (Gain) / Loss on obligations                   | 74.57                   | (30.79)                 |
| Effect of Transfer In / (Transfer Out)                   | 2.14                    | 5.02                    |
| <b>Present Value of Obligation as at the year end</b>    | <b>775.88</b>           | <b>629.30</b>           |

## B) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Funded Obligation as at the year end   | —                       | —                       |
| Fair Value of Plan Assets as at the year end            | —                       | —                       |
| Funded Status                                           |                         |                         |
| Present Value of Unfunded Obligation as at the year end | 775.88                  | 629.30                  |
| Unrecognised Actuarial (Gains) / Losses                 | —                       | —                       |
| <b>Unfunded (Liability) recognised in Balance Sheet</b> | <b>775.88</b>           | <b>629.30</b>           |

## C) Amount recognised in the Balance Sheet

(₹ in lakhs)

| Particulars                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Defined Benefit Obligation at the end of the year | 775.88                  | 629.30                  |
| Fair Value of Plan Assets as at the end of the year                | —                       | —                       |
| Liability recognised in the Balance Sheet                          | 775.88                  | 629.30                  |
| Recognised under:                                                  |                         |                         |
| Long term provisions                                               | 708.13                  | 570.08                  |
| Short term provisions                                              | 67.75                   | 59.22                   |

## D) Expenses recognised in the Statement of Profit and Loss

(₹ in lakhs)

| Particulars                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Current Service Cost                                                 | 75.61                   | 80.15                   |
| Past Service Cost                                                    | —                       | 77.78                   |
| Interest Cost                                                        | 49.33                   | 40.00                   |
| Total amount recognised in profit or loss                            | 124.94                  | 197.93                  |
| (Gain)/loss from change in demographic assumptions                   | —                       | (26.12)                 |
| (Gain)/loss from change in financial assumptions                     | 51.98                   | 7.87                    |
| Experience (gains)/losses                                            | 22.59                   | (12.54)                 |
| <b>Total Expenses recognized in the statement of Profit and Loss</b> | <b>199.51</b>           | <b>167.14</b>           |



# NOTES

forming part of the Financial Statements



## E) Experience Adjustment

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Defined Benefit Obligation                              | 775.88                  | 629.30                  |
| Plan Assets                                             | —                       | —                       |
| Deficit / (Surplus)                                     | 775.88                  | 629.30                  |
| Experience Adjustment on Plan Liabilities (Gain) / Loss | 74.57                   | (30.79)                 |

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## F) Sensitivity Analysis

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

The sensitivity of the defined benefit obligation to changes in the principal assumptions:

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Projected Benefit Obligation on Current Assumptions     | 775.88                  | 629.30                  |
| Delta Effect of +1% Change in Rate of Discounting       | (50.56)                 | (39.44)                 |
| Delta Effect of -1% Change in Rate of Discounting       | 57.47                   | 44.68                   |
| Delta Effect of +1% Change in Rate of Salary Increase   | 56.24                   | 44.17                   |
| Delta Effect of -1% Change in Rate of Salary Increase   | (50.47)                 | (39.73)                 |
| Delta Effect of +1% Change in Rate of Employee Turnover | (5.90)                  | (1.65)                  |
| Delta Effect of -1% Change in Rate of Employee Turnover | 6.46                    | 1.72                    |

## G) Maturity analysis of Projected Benefit Obligation from the employer

(₹ in lakhs)

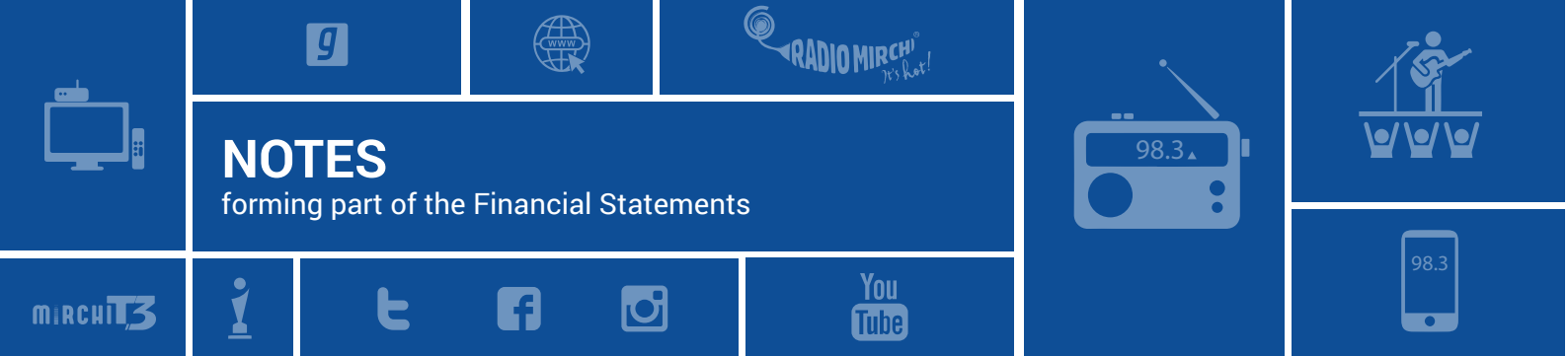
| Particulars          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------|-------------------------|-------------------------|
| 1st Following Year   | 67.75                   | 59.22                   |
| 2nd Following Year   | 68.21                   | 59.44                   |
| 3rd Following Year   | 73.70                   | 59.42                   |
| 4th Following Year   | 66.91                   | 63.59                   |
| 5th Following Year   | 72.03                   | 57.28                   |
| Sum of years 6 to 10 | 380.87                  | 335.71                  |

## H) Other details

Past service wise distribution of Projected benefit obligation

| Past service interval | Projected benefit obligation |
|-----------------------|------------------------------|
| 4 years and below     | 8.46%                        |
| 5 years and above     | 91.54%                       |

Weighted Average Duration of the Projected Benefit Obligation as on March 31, 2017 is 8 years (March 31, 2016 8 years).



# NOTES

forming part of the Financial Statements

## 38. Segment Information

In accordance with Ind AS-108 'Operating Segments', the Company's business segment is Media and Entertainment and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as at and for the year ended March 31, 2017. The Company primarily caters to the domestic market and hence there are no reportable geographical segments.

## 39. Related Party Disclosures as required under Ind AS 24 - 'Related Party Disclosures' are given below:

### i. Parties where control exists

Bennett, Coleman & Company Limited (BCCL) – Holding Company (Refer Note 43)  
Times Infotainment Media Limited (TIML) – the erstwhile Holding Company\* (Refer Note 43)

### ii. Subsidiary Company

Alternate Brand Solutions (India) Limited (ABSL) – Subsidiary Company\*

### iii. Fellow Subsidiary Companies

Mirchi Movies Limited (MML)  
Times Innovative Media Limited (TIM)  
TIM Delhi Airport Advertising Private Limited (TIMDA)  
Times Global Broadcasting Company Limited (TGBCL)\*  
Times Internet Limited (TIL) #  
Zoom Entertainment Network Limited (ZENL)\*  
Gamma Gaana Limited (GGL)  
Metropolitan Media Company Limited (formerly Times VPL Limited) (MMCL)  
Vardhaman Publishers Limited (VPL)  
Junglee Pictures Limited (JPL)  
Magic Bricks Reality Services Limited (MBRSL)  
Brand Equity Treaties Limited (BETL)  
Worldwide Media Private Limited (WWM)  
Aquate Internet Services Private Limited (AISPL)  
Times Centre for Learning Limited (TCLL)\*  
Times Business Solutions Limited (TBSL) #  
Times Websol Limited (TWL) #\*  
Times Mobile Limited (TM)#

### iv. Related Parties of Ultimate Holding Company

Bennett Property Holdings Company Limited (BPHCL)  
Aegon Life Insurance Company Limited (ALIC)

### v. Key Management Personnel

#### Managing Director & Chief Executive Officer

Mr. Prashant Panday

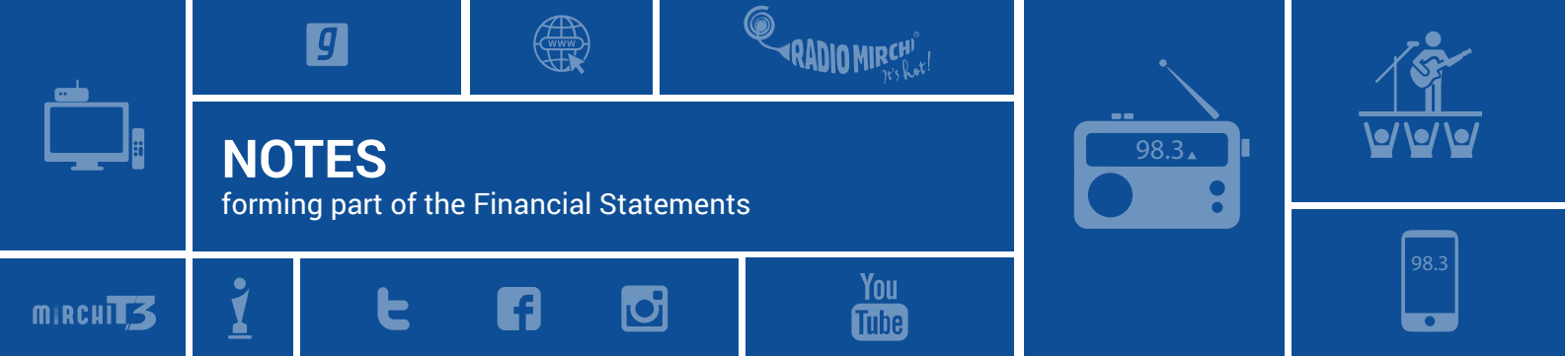
#### Non-Executive Directors

Mr. Vineet Jain  
Mr. N. Kumar  
Mr. Richard Saldanha  
Mr. Ravindra Kulkarni  
Ms. Punita Lal - from March 28, 2016  
Mr. B. S. Nagesh - upto November 8, 2016

# Times Business Solutions Limited (TBSL), Times Websol Limited (TWL) and Times Mobile Limited (TM) have been merged into Times Internet Limited (TIL) in the previous year.

\* There are no transactions during the year.





## NOTES

forming part of the Financial Statements

### vii. Details relating to Persons referred to in 39(v) above

#### I. Mr. Prashant Panday

|                                    | (₹ in lakhs)  |               |
|------------------------------------|---------------|---------------|
| Name of the Person                 | 2016-2017     | 2015-2016     |
| Short-term employee benefits       | 334.46        | 370.29        |
| Post Employment Benefit Obligation | 9.34          | 38.36         |
| Other Long Term Benefit Obligation | 0.80          | 0.45          |
| <b>Total Compensation</b>          | <b>344.60</b> | <b>409.10</b> |

#### II. Non-executive directors

|                           | (₹ in lakhs) |              |
|---------------------------|--------------|--------------|
| Name of the Person        | 2016-2017    | 2015-2016    |
| Director sitting fees     | 38.09        | 27.90        |
| <b>Total Compensation</b> | <b>38.09</b> | <b>27.90</b> |

Note:

The short term employee benefits to the key management personnel includes one-time payment of ₹ Nil (Previous year: ₹ 62.35 lakhs).

#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables and payables for the year ended March 31, 2017 and for the year ended March 31, 2016.

### 40. Disclosures for Operating Leases

Disclosures in respect of cancellable agreements for cars, transmission towers, office and residential premises taken on lease:

- Lease payments recognised in the statement of profit and loss ₹ 2,660.95 lakhs (Previous Year: ₹ 1,930.28 lakhs).
- Of the total leases, twelve lease licenses have a lock in period ranging from two years to five years. All the other agreements are cancellable at the option of the Company.

Future minimum rentals payable under non-cancellable operating leases are as follows:

|                                             | (₹ in lakhs)    |                |
|---------------------------------------------|-----------------|----------------|
| Particulars                                 | March 31, 2017  | March 31, 2016 |
| Within one year                             | 503.92          | 230.21         |
| After one year but not more than five years | 714.87          | 438.01         |
| More than five years                        | Nil             | Nil            |
| <b>Total</b>                                | <b>1,218.79</b> | <b>668.22</b>  |

## NOTES

forming part of the Financial Statements

**41. Earnings Per Share (Basic and Diluted)**

The number of shares used in computing Basic Earnings Per Share (EPS) is the weighted average number of shares outstanding during the year.

| Particulars                                         | 2016-2017  | 2015-2016  |
|-----------------------------------------------------|------------|------------|
| Profit for the year (₹ in lakhs) (A)                | 5,447.40   | 10,792.53  |
| Weighted average number of Equity shares (B) (Nos.) | 47,670,415 | 47,670,415 |
| Earnings per share – basic and diluted (₹) (A/B)    | 11.43      | 22.64      |
| Nominal value of an equity share (₹)                | 10.00      | 10.00      |

42. Gross amount required to be spent by the Company during the year for Corporate Social Responsibility (CSR) activities was ₹ 233.05 lakhs (Previous year: ₹ 200.73 lakhs). Amount spent during the year by the Company is as follows:

| (₹ in lakhs)                             |           |           |
|------------------------------------------|-----------|-----------|
| Particulars                              | 2016-2017 | 2015-2016 |
| (i) Construction/acquisition of an asset | –         | –         |
| (ii) On purposes other than (i) above    | 233.05    | 200.84    |

43. The Scheme of Amalgamation and Arrangement ('Scheme') of TIML (the erstwhile holding company of the Company) with BCCL (the holding Company of TIML) was filed under the Companies Act, 1956 was approved by Hon'ble Bombay High Court on July 3, 2015 and by the MIB on April 25, 2016. Consequently, TIML's entire shareholding in the Company was transferred to BCCL, and BCCL is the sole promoter shareholder of the Company. The appointed date of the Scheme was April 1, 2013.

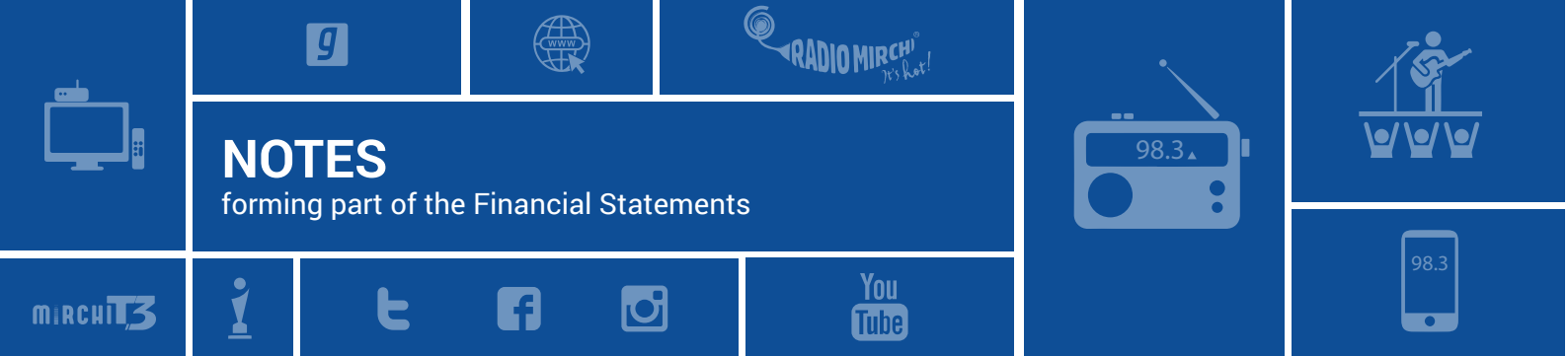
44. In February 2015, the Company had entered into a non-binding memorandum of understanding with TV Today Network Limited ('TVTN') for purchase of seven radio stations from TVTN. On July 22, 2015 the Company received the approval from the Ministry of Information and Broadcasting ('MIB'), Government of India to purchase TVTN's four radio stations in Amritsar, Jodhpur, Patiala and Shimla. As regards the remaining three stations viz. Mumbai, Delhi and Kolkata, the MIB declined to grant its approval. The Company and TVTN have appealed against the MIB decision before the Hon'ble Delhi High Court. The next court hearing in respect of the appeal is scheduled for May 25, 2017. All the fixed assets acquired from TVTN were stated at fair value as on the date of acquisition.

The assets and liabilities recognized because of the acquisition are as follows:

| (₹ in lakhs)                               |               |
|--------------------------------------------|---------------|
| Particulars                                | Fair value    |
| Leasehold Improvement                      | 29.12         |
| Furniture                                  | 0.48          |
| Office Equipments                          | 1.48          |
| Plant and Machinery                        | 119.32        |
| Computers                                  | 3.37          |
| Non Refundable One Time Migration Fees     | 246.23        |
| <b>Net identifiable assets acquired</b>    | <b>400.00</b> |
| Purchase consideration transferred in cash | 400.00        |

**45. Pending litigations and claims:**

- a. The Company is involved in various litigations the outcome of which are considered probable and in respect of which the Company has aggregate provisions of ₹ 1,612.47 lakhs (Previous year ₹ 1,031.38 lakhs) as at March 31, 2017.



# NOTES

forming part of the Financial Statements

## b. Contingent liability-taxation

The Company is contesting certain disallowances to the taxable income and demands raised by the Income-tax authorities, the estimated tax liability of which is ₹ 128.35 lakhs (Previous year : ₹ 118.73 lakhs). The management does not expect the liability from these claims to crystallize and accordingly, no provision has been recognized in the financial statements for the same.

## 46. Capital Management

The Company's objective is to maintain a strong capital base to ensure a sustainable future growth, maintain a strong credit rating and provide adequate returns to the shareholders. The Funding requirements of the Company are not large and are generally met through internal accruals and short term borrowings. The Company monitors capital using a capital gearing ratio. Capital gearing ratio is computed as net debt divided by the aggregate of shareholders' funds and net debt.

The net debt of the Company was Nil as on March 31, 2017 and April 1, 2015. The net debt as on March 31, 2016 was ₹ 292.40 lakhs.

## 47. Financial risk management

The Company's activities expose it to a variety of market risks, liquidity risks and credit risks. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

### a. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in debt mutual funds and deposits with banks.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company undertakes a detailed review of the credit worthiness of clients before extending credit. Outstanding customer receivables are regularly monitored. The Company believes the concentration of risk with respect to trade receivables as low, as its customers are in several jurisdictions and industries and operate in largely independent markets. Management monitors the Company's net liquidity position through rolling forecasts based on expected cash flows.

The Company uses the expected credit loss model as per IND AS 109 - 'Financial Instruments' to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers.

### b. Liquidity Risk

Liquidity risk is defined as a risk that the Company will not be able to settle or meet its obligations on time. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has short term borrowings in the form of commercial papers. The Company believes that the same can be paid out of from internal accruals and mutual fund investments. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

At the end of the reporting period the Company held Mutual fund investments of ₹ 10,754.44 lakhs (March 31, 2016 : ₹ 22,738.24 lakhs April 1, 2015 : ₹ 57,278.05 lakhs) that are expected to readily generate cash inflows for managing liquidity risk.



# NOTES

forming part of the Financial Statements



## Maturities of financial liabilities

The tables below analyze the Company's Financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in lakhs)

| Contractual maturities of financial liabilities | March 31, 2017     |                    | March 31, 2016     |                    | April 1, 2015      |                    |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                 | Less than 6 months | 6 months to 1 year | Less than 6 months | 6 months to 1 year | Less than 6 months | 6 months to 1 year |
| Borrowings                                      | –                  | 13,000.00          | –                  | 27,000.00          | –                  | –                  |
| Trade payables                                  | 11,159.08          | –                  | 7,998.07           | –                  | 7,404.83           | –                  |
| Other financial liabilities                     | 23.41              | –                  | 30.40              | –                  | 8.19               | –                  |

### c. Foreign Currency risk

Foreign currency risk arises due to the fluctuations in foreign currency exchange rates. The Company does not have any material transactions in foreign currencies. Accordingly, its exposure to the foreign currency risk is limited.

### d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortized 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.

### e. Price risk

The Company's exposure to mutual fund securities arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the framework and policies set by the Board of Directors.

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

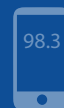
The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and cash equivalents, trade and other current financial assets, trade & other payables and short term borrowings approximate their carrying amounts due to the short maturities of these instruments.
- The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



# NOTES

forming part of the Financial Statements

MIRCHI 3



## ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

### 48. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in lakhs)

| Particulars                                                  | March 31, 2017   |                  |          |               |
|--------------------------------------------------------------|------------------|------------------|----------|---------------|
|                                                              | Carrying amount  | Fair Value       |          |               |
|                                                              |                  | Level 1          | Level 2  | Level 3       |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |               |
| Investments in subsidiary                                    | 702.50           | —                | —        | 702.50        |
| Loans-Deposit non current                                    | 1,879.77         | —                | —        | —             |
| Employee loans non current                                   | 2.00             | —                | —        | —             |
| Trade receivables                                            | 16,215.44        | —                | —        | —             |
| Cash and cash equivalents                                    | 1,854.44         | —                | —        | —             |
| Other bank balances                                          | 4.93             | —                | —        | —             |
| Deposit current                                              | 109.50           | —                | —        | —             |
| Other current financial assets                               | 201.12           | —                | —        | —             |
| <b>Total</b>                                                 | <b>20,969.70</b> | <b>—</b>         | <b>—</b> | <b>702.50</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |               |
| Long term investments in mutual funds                        | —                | —                | —        | —             |
| Short term investments in mutual funds                       | 10,754.44        | 10,754.44        | —        | —             |
| <b>Total</b>                                                 | <b>10,754.44</b> | <b>10,754.44</b> | <b>—</b> | <b>—</b>      |
| <b>Total financial assets</b>                                | <b>31,724.14</b> | <b>10,754.44</b> | <b>—</b> | <b>702.50</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |               |
| Borrowings                                                   | 12,319.09        | 12,319.09        | —        | —             |
| Trade payables                                               | 11,159.08        | —                | —        | —             |
| Unpaid dividend                                              | 0.65             | —                | —        | —             |
| Security deposits payable current                            | 22.76            | —                | —        | —             |
| <b>Total financial liabilities</b>                           | <b>23,501.58</b> | <b>12,319.09</b> | <b>—</b> | <b>—</b>      |

(₹ in lakhs)

| Particulars                                                  | March 31, 2016   |                  |          |               |
|--------------------------------------------------------------|------------------|------------------|----------|---------------|
|                                                              | Carrying amount  | Fair Value       |          |               |
|                                                              |                  | Level 1          | Level 2  | Level 3       |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |               |
| Investments in subsidiary                                    | 702.50           | —                | —        | 702.50        |
| Loans-Deposit non current                                    | 1,770.54         | —                | —        | —             |
| Employee loans non current                                   | 3.00             | —                | —        | —             |
| Trade receivables                                            | 14,029.70        | —                | —        | —             |
| Cash and cash equivalents                                    | 1,614.10         | —                | —        | —             |
| Other bank balances                                          | 363.17           | —                | —        | —             |
| Deposits                                                     | 32.85            | —                | —        | —             |
| Other current financial assets                               | 3.64             | —                | —        | —             |
| <b>Total</b>                                                 | <b>18,519.50</b> | <b>—</b>         | <b>—</b> | <b>702.50</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |               |
| Long term investments in mutual funds                        | 4,094.17         | 4,094.17         | —        | —             |
| Short term investments in mutual funds                       | 18,644.07        | 18,644.07        | —        | —             |
| <b>Total</b>                                                 | <b>22,738.24</b> | <b>22,738.24</b> | <b>—</b> | <b>—</b>      |
| <b>Total financial assets</b>                                | <b>41,257.74</b> | <b>22,738.24</b> | <b>—</b> | <b>702.50</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |               |
| Borrowings                                                   | 25,008.45        | 25,008.45        | —        | —             |
| Trade payables                                               | 7,998.07         | —                | —        | —             |
| Unpaid dividend                                              | 0.52             | —                | —        | —             |
| Security deposits payable current                            | 29.88            | —                | —        | —             |
| <b>Total financial liabilities</b>                           | <b>33,036.92</b> | <b>25,008.45</b> | <b>—</b> | <b>—</b>      |



# NOTES

forming part of the Financial Statements



(₹ in lakhs)

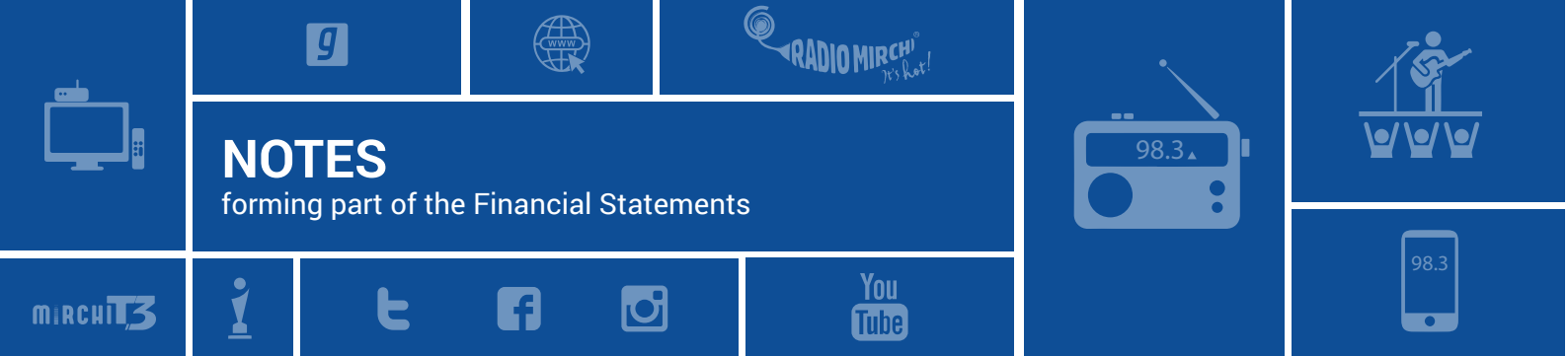
| Particulars                                                  | April 1, 2015    |                  |          |               |
|--------------------------------------------------------------|------------------|------------------|----------|---------------|
|                                                              | Carrying amount  | Fair Value       |          |               |
|                                                              |                  | Level 1          | Level 2  | Level 3       |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |               |
| Investments in subsidiary                                    | 702.50           | —                | —        | 702.50        |
| Loans-Deposit non current                                    | 1,113.32         | —                | —        | —             |
| Employee loans non current                                   | 1.00             | —                | —        | —             |
| Other non current financial assets                           | 653.21           | —                | —        | —             |
| Trade receivables                                            | 12,485.99        | —                | —        | —             |
| Cash and cash equivalents                                    | 1,423.12         | —                | —        | —             |
| Other bank balances                                          | 0.41             | —                | —        | —             |
| Deposits                                                     | 3.96             | —                | —        | —             |
| Others                                                       | 22.84            | —                | —        | —             |
| <b>Total</b>                                                 | <b>16,406.35</b> | <b>—</b>         | <b>—</b> | <b>702.50</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |               |
| Long term investments in mutual funds                        | 14,989.60        | 14,989.60        | —        | —             |
| Short term investments in mutual funds                       | 42,288.45        | 42,288.45        | —        | —             |
| <b>Total</b>                                                 | <b>57,278.05</b> | <b>57,278.05</b> | <b>—</b> | <b>—</b>      |
| <b>Total financial assets</b>                                | <b>73,684.40</b> | <b>57,278.05</b> | <b>—</b> | <b>702.50</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |               |
| Security deposits payable non current                        | 29.88            | —                | —        | —             |
| Trade payables                                               | 7,404.83         | —                | —        | —             |
| Unpaid dividend                                              | 0.41             | —                | —        | —             |
| Security deposits payable current                            | 7.78             | —                | —        | —             |
| <b>Total financial liabilities</b>                           | <b>7,442.90</b>  | <b>—</b>         | <b>—</b> | <b>—</b>      |

During the reporting period ending March 31, 2017 and March 31, 2016, there were no transfers between level 1 and level 3 fair value instruments.

## Description of significant unobservable inputs to valuation :

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value :

| Particulars            | March 31, 2017                                                                                                            | March 31, 2016 | April 1, 2015 |
|------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Deposits - non current | Security Deposits given for operating leases having a lock in period are discounted at the borrowing cost of the Company. |                |               |



# NOTES

forming part of the Financial Statements

## 49. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. Beginning April 1, 2016, the Company has adopted applicable Ind AS standards and the adoptions were carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The 'Transition Date' is April 1, 2015. The transition was carried out from Accounting Standards as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

### Exemptions and exceptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

#### 1. Ind AS optional exemptions

##### a. Business combinations

The Company elected to apply Ind AS 103 prospectively to business combinations that occurred on or after the Transition Date.

##### b. Deemed cost

The Company elected to continue with the carrying value measured as per the Previous GAAP for all its Property, Plant and Equipment, Intangible Assets and Investment Properties. The carrying value was used as deemed cost as at the Transition Date.

##### c. Investment in Subsidiary

The Company elected to measure its investment in Subsidiary, at the carrying value as per the Previous GAAP and used it as deemed cost as at the Transition Date.

#### 2. Ind AS mandatory exceptions

##### i. Estimates

The estimates as at the Transition Date and as at March 31, 2016 are consistent with the estimates as at the same date made in conformity with the Previous GAAP. Additionally the Company made estimates for impairment of financial assets by applying expected credit loss model as at the Transition Date and as at March 31, 2016.

##### ii. Classification and measurement of financial assets

The Company designated all its investments in debt mutual funds at fair value through profit and loss as at the Transition Date.

### Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

## NOTES

forming part of the Financial Statements



## Reconciliation of equity as previously reported under Previous GAAP to Ind AS

(₹ in lakhs)

| Particulars                    | Notes | Opening balance sheet<br>as at April 1, 2015 |                                       |                   | Balance Sheet<br>as at March 31, 2016 |                                       |                   |
|--------------------------------|-------|----------------------------------------------|---------------------------------------|-------------------|---------------------------------------|---------------------------------------|-------------------|
|                                |       | Previous<br>GAAP<br>figures                  | Effects of<br>transition<br>to Ind-AS | IND AS<br>balance | Previous<br>GAAP<br>figures           | Effects of<br>transition<br>to Ind-AS | IND AS<br>balance |
| ASSETS                         |       |                                              |                                       |                   |                                       |                                       |                   |
| Non-current assets             |       |                                              |                                       |                   |                                       |                                       |                   |
| Property, Plant and Equipment  |       | 2,631.61                                     | —                                     | 2,631.61          | 2,204.53                              | —                                     | 2,204.53          |
| Capital work-in-progress       | V     | —                                            | —                                     | —                 | 35,676.21                             | (12.52)                               | 35,663.69         |
| Investment properties          | I     | —                                            | 101.86                                | 101.86            | —                                     | 103.04                                | 103.04            |
| Goodwill                       | II    | —                                            | 46.49                                 | 46.49             | —                                     | 46.49                                 | 46.49             |
| Other Intangible assets        |       | 2,717.96                                     | (46.49)                               | 2,671.47          | 34,904.91                             | (25.82)                               | 34,879.09         |
| Financial Assets               |       |                                              |                                       |                   |                                       |                                       |                   |
| Investments                    | III   | 13,964.77                                    | 1,727.33                              | 15,692.10         | 4,291.45                              | 505.22                                | 4,796.67          |
| Loans                          | VIII  | 1,114.32                                     | —                                     | 1,114.32          | 1,797.70                              | (24.15)                               | 1,773.55          |
| Others                         |       | 653.21                                       | —                                     | 653.21            | —                                     | —                                     | —                 |
| Deferred tax assets (net)      | IX    | 1,686.74                                     | (515.52)                              | 1,171.22          | —                                     | —                                     | —                 |
| Other non-current assets       |       | 40.76                                        | —                                     | 40.76             | 2,627.80                              | (537.94)                              | 2,089.86          |
| Total Non-current assets       |       | 22,809.37                                    | 1,313.67                              | 24,123.04         | 81,502.60                             | 54.32                                 | 81,556.92         |
| Current assets                 |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial Assets               |       |                                              |                                       |                   |                                       |                                       |                   |
| Investments                    | III   | 41,073.25                                    | 1,215.20                              | 42,288.45         | 15,294.74                             | 3,349.33                              | 18,644.07         |
| Trade receivables              | IV    | 12,643.54                                    | (157.55)                              | 12,485.99         | 14,245.12                             | (215.42)                              | 14,029.70         |
| Cash and cash equivalents      |       | 1,423.12                                     | —                                     | 1,423.12          | 1,614.10                              | —                                     | 1,614.10          |
| Other bank balances            |       | 0.41                                         | —                                     | 0.41              | 363.17                                | —                                     | 363.17            |
| Others                         |       | 26.80                                        | —                                     | 26.80             | 36.49                                 | —                                     | 36.49             |
| Other current assets           | VIII  | 955.99                                       | —                                     | 955.99            | 1,728.95                              | 24.07                                 | 1,753.02          |
| Total Current assets           |       | 56,123.11                                    | 1,057.65                              | 57,180.76         | 33,282.57                             | 3,157.98                              | 36,440.55         |
| TOTAL ASSETS                   |       | 78,932.48                                    | 2,371.32                              | 81,303.80         | 114,785.17                            | 3,212.30                              | 117,997.47        |
| EQUITY AND LIABILITIES         |       |                                              |                                       |                   |                                       |                                       |                   |
| Equity                         |       |                                              |                                       |                   |                                       |                                       |                   |
| Equity share capital           |       | 4,767.04                                     | —                                     | 4,767.04          | 4,767.04                              | —                                     | 4,767.04          |
| Other Equity                   |       | 62,690.71                                    | 2,945.07                              | 65,635.78         | 72,117.07                             | 3,757.62                              | 75,874.69         |
| Total equity                   |       | 67,457.75                                    | 2,945.07                              | 70,402.82         | 76,884.11                             | 3,757.62                              | 80,641.73         |
| Liabilities                    |       |                                              |                                       |                   |                                       |                                       |                   |
| Non-current liabilities        |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial liabilities          |       |                                              |                                       |                   |                                       |                                       |                   |
| Others                         | VII   | 29.88                                        | —                                     | 29.88             | —                                     | —                                     | —                 |
| Employee benefit obligations   |       | 681.15                                       | —                                     | 681.15            | 723.54                                | —                                     | 723.54            |
| Deferred tax liabilities (net) | IX    | —                                            | —                                     | —                 | 554.54                                | 41.49                                 | 596.03            |
| Total Non-current liabilities  |       | 711.03                                       | —                                     | 711.03            | 1,278.08                              | 41.49                                 | 1,319.57          |
| Current liabilities            |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial liabilities          |       |                                              |                                       |                   |                                       |                                       |                   |
| Short-term borrowings          | V     | —                                            | —                                     | —                 | 25,021.51                             | (13.06)                               | 25,008.45         |
| Trade payables                 |       | 7,404.83                                     | —                                     | 7,404.83          | 7,998.07                              | —                                     | 7,998.07          |
| Others                         |       | 8.19                                         | —                                     | 8.19              | 30.40                                 | —                                     | 30.40             |
| Other current liabilities      |       | 2,723.23                                     | —                                     | 2,723.23          | 2,870.90                              | —                                     | 2,870.90          |
| Provisions                     |       |                                              |                                       |                   |                                       |                                       |                   |
| Employee benefit obligations   |       | 53.70                                        | —                                     | 53.70             | 128.35                                | —                                     | 128.35            |
| Proposed Dividend              | VI    | 573.75                                       | (573.75)                              | —                 | 573.75                                | (573.75)                              | —                 |
| Total Current liabilities      |       | 10,763.70                                    | (573.75)                              | 10,189.95         | 36,622.98                             | (586.81)                              | 36,036.17         |
| TOTAL EQUITY AND LIABILITIES   |       | 78,932.48                                    | 2,371.32                              | 81,303.80         | 114,785.17                            | 3,212.30                              | 117,997.47        |

The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

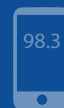


# NOTES

forming part of the Financial Statements



MIRCHI3



## Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in lakhs)

| Particulars                                                                             | Notes | Previous GAAP Figures | Effects of transition to Ind-AS | IND AS Balance   |
|-----------------------------------------------------------------------------------------|-------|-----------------------|---------------------------------|------------------|
| Revenue from operations                                                                 |       | 49,214.34             | –                               | 49,214.34        |
| Other Operating income                                                                  |       | 1,646.13              | –                               | 1,646.13         |
| Other income                                                                            | III   | 2,511.29              | 914.27                          | 3,425.56         |
| <b>Total Income</b>                                                                     |       | <b>53,371.76</b>      | <b>914.27</b>                   | <b>54,286.03</b> |
| <b>Expenses:</b>                                                                        |       |                       |                                 |                  |
| Employee benefits expense                                                               | VII   | 9,353.01              | 30.79                           | 9,383.80         |
| Finance cost                                                                            | V     | 4.13                  | (0.54)                          | 3.59             |
| Depreciation and amortisation expense                                                   | II    | 3,627.40              | (20.67)                         | 3,606.73         |
| Operating and Other expenses                                                            | IV    | 25,570.84             | 59.04                           | 25,629.88        |
| <b>Total Expenses</b>                                                                   |       | <b>38,555.38</b>      | <b>68.62</b>                    | <b>38,624.00</b> |
| <b>Profit before tax</b>                                                                |       | <b>14,816.38</b>      | <b>845.65</b>                   | <b>15,662.03</b> |
| Tax expense:                                                                            |       |                       |                                 |                  |
| Current tax                                                                             |       | 3,088.93              | –                               | 3,088.93         |
| Deferred tax                                                                            | IX    | 1,727.98              | 53.23                           | 1,781.21         |
| Deferred tax of earlier years                                                           |       | (0.64)                | –                               | (0.64)           |
| <b>Total tax expenses</b>                                                               |       | <b>4,816.27</b>       | <b>53.23</b>                    | <b>4,869.50</b>  |
| <b>Profit for the year</b>                                                              |       | <b>10,000.11</b>      | <b>792.42</b>                   | <b>10,792.53</b> |
| <b>Other Comprehensive Income</b>                                                       |       |                       |                                 |                  |
| Items that will not be reclassified to profit or loss                                   | X     | –                     | (30.79)                         | (30.79)          |
| Income tax relating to items that will not be reclassified to profit or loss net of tax |       | –                     | 10.66                           | 10.66            |
| <b>Total Comprehensive Income for the year</b>                                          |       | <b>10,000.11</b>      | <b>812.55</b>                   | <b>10,812.66</b> |

The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There is no material impact on statement of cash flows due to transition from Previous GAAP to Ind AS.

### Notes to first-time adoption:

#### Note I : Investment property

Under the Previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are disclosed on the face of the balance sheet. There is no impact on the total equity or statement of profit and loss.

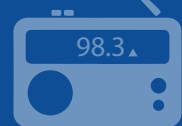
#### Note II : Amortisation of goodwill

Under the Previous GAAP, the Company amortised goodwill over a period of 5 years. Under Ind AS, Goodwill is not amortised but tested for impairment as per IND AS 38 - 'Intangible Assets'. Thus, total comprehensive income for the year ended March 31, 2016 and goodwill as at March 31, 2016 increased by ₹ 20.67 lakhs.



# NOTES

forming part of the Financial Statements



## Note III : Fair valuation of investments

In accordance with Ind AS, the Company's investments in debt mutual funds have been fair valued. The Company has designated these investments at fair value through profit and loss. Under the Previous GAAP, the application of relevant accounting standard resulted in these investments being carried at cost.

Consequent to the above, total comprehensive income for the year ended March 31, 2016 increased by ₹ 735.32 lakhs. Further the total equity as at March 31, 2016 increased by ₹ 3,303.14 lakhs, out of which the increase as on April 1, 2015 i.e. the Transition Date was ₹ 2,567.82 lakhs.

## Note IV : Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the Provision for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 57.86 lakhs as at March 31, 2016 (April 1, 2015 ₹ 157.55 lakhs). Consequently, the total comprehensive income for the year ended March 31, 2016 reduced by 37.84 lakhs.

## Note V : Borrowings

Under the Previous GAAP, transaction costs incurred in connection with borrowings used for capital expenditure were capitalised and depreciated over useful life of respective assets. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Accordingly, transaction costs on borrowings as at March 31, 2016 have been reduced by ₹ 13.06 lakhs (April 1, 2015 ₹ Nil) with a corresponding adjustment in Capital work in progress of ₹ 12.52 lakhs (April 1, 2015 ₹ Nil) and balance to retained earnings.

## Note VI : Proposed dividend

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax on it aggregating ₹ 573.75 lakhs as at March 31, 2016 (April 1, 2015 ₹ 573.75 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

## Note VII : Actuarial gains and Losses

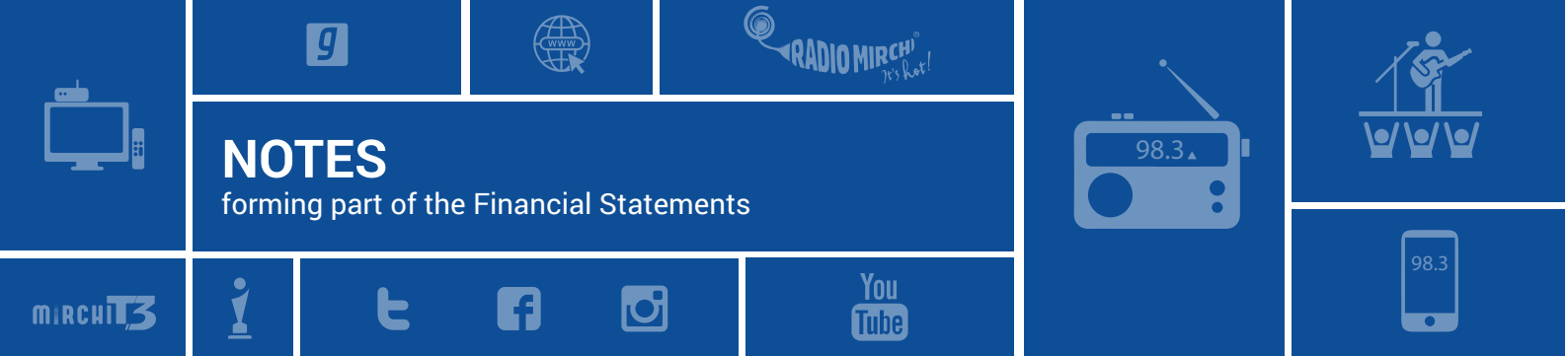
Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. However, this has no impact on the total comprehensive income and total equity as on April 1, 2015 or as on March 31, 2016.

## Note VIII : 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 certain security deposits by discounting them over the lock in period under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits reduced by ₹ 25.23 lakhs as at March 31, 2016 (April 1, 2015 ₹ Nil) and the prepaid rent increased by ₹ 25.23 lakhs as at March 31, 2016 (April 1, 2015 – ₹ Nil).

## Note IX : Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on certain temporary differences which was not required under Previous GAAP.



# NOTES

forming part of the Financial Statements

In addition, the various transitional adjustments lead to temporary differences. Under the Ind AS, the Company has to account for such differences. Deferred tax adjustments are recognised in relation to the underlying transactions either in retained earnings or as a separate component of equity. During the year ended March 31, 2016, the net deferred tax liabilities on account of Ind AS adjustments was ₹ 53.23 lakhs. As on the Transition Date, the net impact on deferred tax assets due to Ind AS adjustments was ₹ 515.52 lakhs.

## Note X : Other Comprehensive Income

Under Previous GAAP, the Company has not presented other comprehensive income 'OCI' separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**50.** The previous year figures have been reclassified to conform to this year's classification.

Signatures to notes "1" to "50" forming part of the financial statements.

For **S.R.Batliboi & Associates LLP**

ICAI Firm Registration No.: 101049W/E300004  
Chartered Accountants

**Govind Ahuja**

Partner  
Membership No. 48966

Place : Pune

Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman  
[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

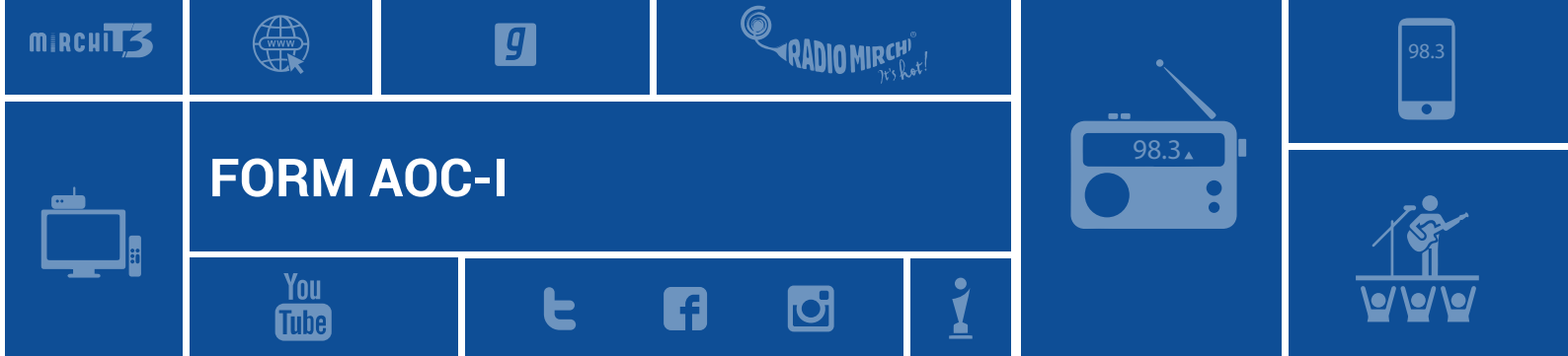
Director  
[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary  
[Membership No. FCS: 5839]

**Prashant Panday**

Managing Director & CEO  
[DIN: 02747925]



## FORM AOC-I

[Pursuant to the first proviso to sub-section [3] of Section 129 read with rule 5 of Companies [Accounts] Rules, 2014]

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY

(₹ in lakhs)

| Sr. No. | Name of the subsidiary  | Alternate Brand Solutions (India) Limited (ABSL) |
|---------|-------------------------|--------------------------------------------------|
|         | <b>Particulars</b>      |                                                  |
| 1       | Reporting Period        | March 31, 2017                                   |
| 2       | Share Capital           | 160.00                                           |
| 3       | Reserves & Surplus      | 813.47                                           |
| 4       | Total Assets            | 997.25                                           |
| 5       | Total Liabilities       | 23.77                                            |
| 6       | Investments             | 934.44                                           |
| 7       | Turnover (Total Income) | 68.98                                            |
| 8       | Profit before taxation  | 64.94                                            |
| 9       | Provision for taxation  | (4.61)                                           |
| 10      | Profit after taxation   | 69.55                                            |
| 11      | Proposed Dividend       | Nil                                              |
| 12      | % of shareholding       | 100%                                             |

The Company does not have any associate company or joint venture.

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman

[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

Director

[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary

[Membership No. FCS: 5839]

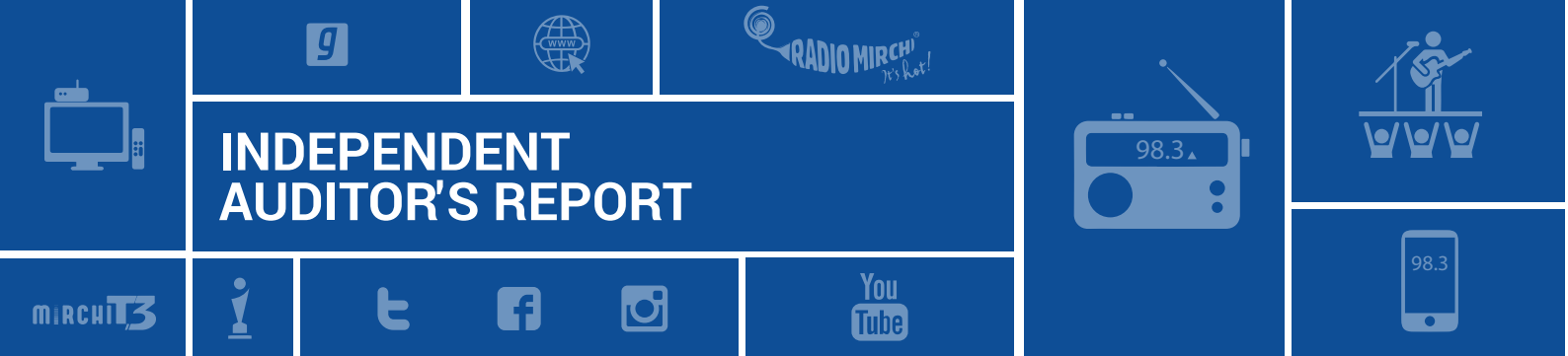
**Prashant Panday**

Managing Director & CEO

[DIN: 02747925]

Place : Pune

Dated : May 23, 2017



## To the Members of Entertainment Network (India) Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Entertainment Network (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.



# INDEPENDENT AUDITOR'S REPORT



## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group's companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 46 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary during the year ended March 31, 2017;
  - iv. As per books of accounts of the Holding Company and subsidiary and as represented by the management of these entities, the Holding Company and the subsidiary did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Govind Ahuja**

Partner

Membership Number: 48966

Place of Signature: Pune

Date: May 23, 2017



## Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Entertainment Network (India) Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Entertainment Network (India) Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Entertainment Network (India) Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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.

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.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT



### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

### Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

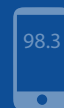
Place of Signature: Pune

Date: May 23, 2017

**per Govind Ahuja**

Partner

Membership Number: 48966



# CONSOLIDATED BALANCE SHEET

as at March 31, 2017

MIRCHIT3



(₹ in lakhs)

|                                                                         | Notes | March 31, 2017    | March 31, 2016    | April 1, 2015    |
|-------------------------------------------------------------------------|-------|-------------------|-------------------|------------------|
| <b>ASSETS</b>                                                           |       |                   |                   |                  |
| <b>Non-current assets</b>                                               |       |                   |                   |                  |
| Property, plant and equipment                                           | 2     | 5,835.21          | 2,204.53          | 2,631.61         |
| Capital work-in-progress                                                | 3     | 6,643.82          | 35,663.69         | –                |
| Investment properties                                                   | 4     | 102.79            | 103.04            | 101.86           |
| Goodwill                                                                | 5     | 46.27             | 46.27             | 46.27            |
| Other intangible assets                                                 | 6     | 65,468.03         | 34,879.09         | 2,671.47         |
| <b>Financial Assets</b>                                                 |       |                   |                   |                  |
| Investments                                                             | 7     | 934.44            | 4,960.21          | 15,790.02        |
| Loans                                                                   | 8     | 1,881.77          | 1,773.55          | 1,114.32         |
| Others                                                                  | 9     | –                 | –                 | 653.20           |
| Deferred tax assets (net)                                               | 21    | –                 | –                 | 1,189.16         |
| Other non-current assets                                                | 10    | 972.39            | 2,113.54          | 61.41            |
| <b>Total Non-Current assets</b>                                         |       | <b>81,884.72</b>  | <b>81,743.92</b>  | <b>24,259.32</b> |
| <b>Current assets</b>                                                   |       |                   |                   |                  |
| <b>Financial Assets</b>                                                 |       |                   |                   |                  |
| Investments                                                             | 11    | 10,754.44         | 18,644.07         | 42,288.45        |
| Trade receivables                                                       | 12    | 16,215.44         | 14,029.70         | 12,485.99        |
| Cash and cash equivalents                                               | 13    | 1,857.28          | 1,618.28          | 1,427.81         |
| Other bank balances                                                     | 14    | 4.93              | 363.17            | 0.41             |
| Others                                                                  | 15    | 310.62            | 36.49             | 26.80            |
| Other current assets                                                    | 16    | 2,755.09          | 1,753.11          | 960.71           |
| <b>Total Current assets</b>                                             |       | <b>31,897.80</b>  | <b>36,444.82</b>  | <b>57,190.17</b> |
| <b>TOTAL ASSETS</b>                                                     |       | <b>113,782.52</b> | <b>118,188.74</b> | <b>81,449.49</b> |
| <b>EQUITY AND LIABILITIES</b>                                           |       |                   |                   |                  |
| <b>Equity</b>                                                           |       |                   |                   |                  |
| Equity share capital                                                    | 17    | 4,767.04          | 4,767.04          | 4,767.04         |
| Other equity                                                            | 18    | 80,970.33         | 76,075.89         | 65,777.26        |
| <b>Total Equity</b>                                                     |       | <b>85,737.37</b>  | <b>80,842.93</b>  | <b>70,544.30</b> |
| <b>Liabilities</b>                                                      |       |                   |                   |                  |
| <b>Non-current liabilities</b>                                          |       |                   |                   |                  |
| <b>Financial liabilities</b>                                            |       |                   |                   |                  |
| Others                                                                  | 19    | –                 | –                 | 29.88            |
| Employee benefit obligations                                            | 20    | 891.76            | 723.54            | 681.15           |
| Deferred tax liabilities (net)                                          | 21    | 954.75            | 584.11            | –                |
| <b>Total Non-Current liabilities</b>                                    |       | <b>1,846.51</b>   | <b>1,307.65</b>   | <b>711.03</b>    |
| <b>Current liabilities</b>                                              |       |                   |                   |                  |
| <b>Financial liabilities</b>                                            |       |                   |                   |                  |
| Short-term borrowings                                                   | 22    | 12,319.09         | 25,008.45         | –                |
| Trade payables                                                          | 23    | 11,163.09         | 8,000.06          | 7,409.04         |
| Others                                                                  | 24    | 23.41             | 30.40             | 8.19             |
| Other current liabilities                                               | 25    | 2,524.69          | 2,870.90          | 2,723.23         |
| Employee benefit obligations                                            | 26    | 148.60            | 128.35            | 53.70            |
| Current tax Liabilities                                                 | 27    | 19.76             | –                 | –                |
| <b>Total Current liabilities</b>                                        |       | <b>26,198.64</b>  | <b>36,038.16</b>  | <b>10,194.16</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |       | <b>113,782.52</b> | <b>118,188.74</b> | <b>81,449.49</b> |
| <b>Notes forming part of the Consolidated Financial Statements 1-51</b> |       |                   |                   |                  |

The above balance sheet should be read with the accompanying notes.

As per our report of even date.

For **S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Govind Ahuja**

Partner

Membership No.: 48966

Place : Pune

Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**

Chairman

[DIN: 00003962]

**N. Subramanian**

Group CFO

**Richard Saldanha**

Director

[DIN:00189029]

**Mehul Shah**

SVP Compliance and Company Secretary

[Membership No.: FCS 5839]

**Prashant Panday**

Managing Director & CEO

[DIN: 02747925]



# CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2017



(₹ in lakhs)

|                                                                                                       | Notes       | For the year ended March 31 |                  |
|-------------------------------------------------------------------------------------------------------|-------------|-----------------------------|------------------|
|                                                                                                       |             | 2017                        | 2016             |
| Revenue from operations                                                                               | 28          | 54,946.46                   | 49,214.34        |
| Other Operating income                                                                                | 28          | 706.13                      | 1,646.99         |
| Other income                                                                                          | 29          | 2,027.51                    | 3,492.68         |
| <b>Total Income</b>                                                                                   |             | <b>57,680.10</b>            | <b>54,354.01</b> |
| <b>Expenses :</b>                                                                                     |             |                             |                  |
| Employee benefits expense                                                                             | 30          | 10,537.52                   | 9,383.80         |
| Finance cost                                                                                          | 31          | 1,358.77                    | 3.59             |
| Depreciation and amortisation                                                                         | 32          | 5,360.46                    | 3,606.73         |
| Operating and other expenses                                                                          | 33          | 32,527.18                   | 25,632.23        |
| <b>Total Expenses</b>                                                                                 |             | <b>49,783.93</b>            | <b>38,626.35</b> |
| <b>Profit before tax</b>                                                                              |             | <b>7,896.17</b>             | <b>15,727.66</b> |
| Tax expense: (Refer Note 1(xiv))                                                                      | 34          |                             |                  |
| Current tax                                                                                           |             | 1,982.76                    | 3,088.93         |
| Deferred tax                                                                                          |             | 393.61                      | 1,786.75         |
| Current / Deferred tax of earlier years                                                               |             | 2.84                        | (0.27)           |
| <b>Total tax expenses</b>                                                                             |             | <b>2,379.21</b>             | <b>4,875.41</b>  |
| <b>Profit for the year</b>                                                                            |             | <b>5,516.96</b>             | <b>10,852.25</b> |
| <b>Other Comprehensive Income (OCI)</b>                                                               |             |                             |                  |
| Items that will not be reclassified to profit or loss                                                 |             |                             |                  |
| – Remeasurement of post employment benefit obligations                                                |             | (74.57)                     | 30.79            |
| – Income tax relating to items that will not be reclassified to profit or loss                        |             | 25.81                       | (10.66)          |
| <b>Other comprehensive income for the year, net of tax</b>                                            |             | <b>(48.76)</b>              | <b>20.13</b>     |
| <b>Total Comprehensive Income for the year</b>                                                        |             | <b>5,468.20</b>             | <b>10,872.38</b> |
| <b>Earnings per equity share [nominal value per share: ₹ 10 (2015-16: ₹ 10)] (Refer Note 1(xiii))</b> | 42          |                             |                  |
| – Basic                                                                                               |             | 11.57                       | 22.77            |
| – Diluted                                                                                             |             | 11.57                       | 22.77            |
| <b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>                                    | <b>1-51</b> |                             |                  |

The above statement of Profit and Loss should be read with the accompanying notes.

As per our report of even date.  
For **S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004  
**Govind Ahuja**  
Partner  
Membership No.: 48966

For and on behalf of the Board of Directors  
**Vineet Jain**  
Chairman  
[DIN: 00003962]  
**N. Subramanian**  
Group CFO

**Richard Saldanha**  
Director  
[DIN: 00189029]  
**Mehul Shah**  
SVP Compliance and Company Secretary  
[Membership No.: FCS 5839]

**Prashant Panday**  
Managing Director & CEO  
[DIN: 02747925]

Place : Pune  
Dated : May 23, 2017



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

## A. Equity Share capital

|                                                 |          |
|-------------------------------------------------|----------|
| Balance as on April 1, 2015                     | 4,767.04 |
| Changes in equity share capital during the year | —        |
| Balance as on March 31, 2016                    | 4,767.04 |
| Changes in equity share capital during the year | —        |
| Balance as on March 31, 2017                    | 4,767.04 |

## B. Other Equity

|                              | Reserves and Surplus |                   |              |
|------------------------------|----------------------|-------------------|--------------|
|                              | Securities premium   | Retained earnings | Total Equity |
| Balance as at April 1, 2015  | 18,850.70            | 46,926.56         | 65,777.26    |
| Profit for the year          | —                    | 10,852.25         | 10,852.25    |
| Other comprehensive income   | —                    | 20.13             | 20.13        |
| Dividends paid               | —                    | (476.70)          | (476.70)     |
| Dividend distribution tax    | —                    | (97.05)           | (97.05)      |
| Balance as at March 31, 2016 | 18,850.70            | 57,225.19         | 76,075.89    |
| Profit for the year          | —                    | 5,516.96          | 5,516.96     |
| Other comprehensive income   | —                    | (48.76)           | (48.76)      |
| Dividends paid               | —                    | (476.71)          | (476.71)     |
| Dividend distribution tax    | —                    | (97.05)           | (97.05)      |
| Balance as at March 31, 2017 | 18,850.70            | 62,119.63         | 80,970.33    |

As per our report of even date.  
For **S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004  
**Govind Ahuja**  
Partner  
Membership No.: 48966  
Place : Pune  
Dated : May 23, 2017

For and on behalf of the Board of Directors

**Vineet Jain**  
Chairman  
[DIN: 00003962]  
**N. Subramanian**  
Group CFO

**Richard Saldanha**  
Director  
[DIN: 00189029]  
**Mehul Shah**  
SVP Compliance and Company Secretary  
[Membership No.: FCS 5839]

**Prashant Panday**  
Managing Director & CEO  
[DIN: 02747925]



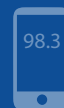
# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2017



(₹ in lakhs)

|                                                             | For the year ended March 31 |                  |
|-------------------------------------------------------------|-----------------------------|------------------|
|                                                             | 2017                        | 2016             |
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>             |                             |                  |
| Profit before taxation                                      | 7,896.17                    | 15,727.66        |
| <b>Adjustments for :</b>                                    |                             |                  |
| Depreciation and amortisation                               | 5,360.46                    | 3,606.73         |
| Interest income from investments                            | (17.43)                     | (45.17)          |
| Finance cost                                                | 1,358.77                    | 3.59             |
| Provision no longer required written back                   | (614.84)                    | (1,523.75)       |
| Profit on fair value of investment                          | (610.36)                    | (979.78)         |
| Profit on sale of non-current investments                   | —                           | (0.52)           |
| Profit on sale of current investments                       | (1,355.05)                  | (1,906.85)       |
| Exchange gain/loss                                          | 0.77                        | (1.50)           |
| Dividend income on current investments                      | —                           | (477.06)         |
| (Profit) on sale of tangible assets                         | (1.76)                      | (1.54)           |
| Tangible assets written off                                 | 26.32                       | 32.60            |
| Provision for doubtful debts (net)                          | 687.35                      | 192.32           |
| Bad debts written off                                       | 178.11                      | 199.28           |
| Provision for retirement benefits                           | 188.47                      | 117.04           |
| <b>Operating profit before working capital changes</b>      | <b>13,096.98</b>            | <b>14,943.05</b> |
| <b>Adjustments for changes in working capital :</b>         |                             |                  |
| (Increase) in trade receivables                             | (3,051.97)                  | (1,933.82)       |
| (Increase) in long term loans                               | (97.02)                     | (659.22)         |
| (Increase) in other current financial assets                | (277.35)                    | (28.91)          |
| Decrease in other non current assets                        | 358.25                      | 290.56           |
| (Increase) in other current non financial assets            | (1,002.07)                  | (797.02)         |
| (Decrease) in other long term liabilities                   | —                           | (29.88)          |
| (Decrease)/ Increase in other current financial liabilities | (7.11)                      | 22.10            |
| Increase in trade payables                                  | 3,777.84                    | 2,114.66         |
| (Decrease)/ Increase in other current liabilities           | (346.22)                    | 147.67           |
| (Decrease)/ Increase in short term provisions               | (74.57)                     | 30.68            |
| <b>Cash generated from operations</b>                       | <b>12,376.76</b>            | <b>14,099.87</b> |
| Taxes paid (net)                                            | (1,945.95)                  | (3,217.82)       |
| <b>Net cash generated from Operating Activities (A)</b>     | <b>10,430.81</b>            | <b>10,882.05</b> |



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2017

MIRCHI3



(₹ in lakhs)

|                                                                                                                                                | For the year ended March 31 |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------|
|                                                                                                                                                | 2017                        | 2016               |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>                                                                                                |                             |                    |
| Purchase of tangible assets, including capital work in progress and capital advances                                                           | (3,533.36)                  | (2,758.43)         |
| Purchase of intangible assets, including capital work in progress and capital advances                                                         | (5,156.21)                  | (71,006.15)        |
| Purchase of radio stations from TVTN (Refer Note 45)                                                                                           | –                           | (400.00)           |
| Proceeds from sale of tangible assets                                                                                                          | 3.57                        | 2.28               |
| Proceeds from sale of intangible assets                                                                                                        | –                           | 2,476.03           |
| Interest received                                                                                                                              | 9.54                        | 64.39              |
| Dividend received on investments                                                                                                               | –                           | 477.06             |
| Purchase of investment property                                                                                                                | –                           | (1.18)             |
| Purchase of current investments                                                                                                                | (48,224.53)                 | (208,235.78)       |
| Purchase of non-current investments                                                                                                            | –                           | (4.50)             |
| Proceeds from sale of non-current investments                                                                                                  | –                           | 6.00               |
| Proceeds from sale of current investments                                                                                                      | 62,105.34                   | 245,595.62         |
| <b>Net cash from / (used in) Investing Activities (B)</b>                                                                                      | <b>5,204.35</b>             | <b>(33,784.66)</b> |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>                                                                                                |                             |                    |
| Amount received on issue of Commercial Papers                                                                                                  | 12,180.09                   | 24,942.60          |
| Amount repaid on issue of Commercial Papers                                                                                                    | (27,000.00)                 | –                  |
| Repayments of short term borrowings                                                                                                            | –                           | (47,962.12)        |
| Proceeds from short term borrowings                                                                                                            | –                           | 47,962.12          |
| Dividend paid                                                                                                                                  | (476.57)                    | (476.59)           |
| Dividend distribution tax paid                                                                                                                 | (97.05)                     | (97.05)            |
| Interest paid                                                                                                                                  | (2.63)                      | (1,275.88)         |
| <b>Net cash (used in) / from Financing Activities (C)</b>                                                                                      | <b>(15,396.16)</b>          | <b>23,093.08</b>   |
| <b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>                                                                                   | <b>239.00</b>               | <b>190.47</b>      |
| <b>Cash and Cash Equivalents as at the beginning of the year</b>                                                                               | <b>1,618.28</b>             | <b>1,427.81</b>    |
| <b>Cash and Cash Equivalents as at the end of the year</b>                                                                                     | <b>1,857.28</b>             | <b>1,618.28</b>    |
| <b>Balance as per Statement of Cash flows</b>                                                                                                  | <b>239.00</b>               | <b>190.47</b>      |
| <b>NOTES ON CASH FLOW STATEMENT:</b>                                                                                                           |                             |                    |
| 1. Cash and cash equivalents at the end of the year as per Balance Sheet (Refer Notes 1(xii) and 13 in the Consolidated Financial Statements). | 1,857.28                    | 1,618.28           |
| 2. Previous year's figures have been regrouped and rearranged wherever necessary.                                                              |                             |                    |

The above statement of cash flow should be read with the accompanying notes.

As per our report of even date.  
For **S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004  
**Govind Ahuja**  
Partner  
Membership No.: 48966  
Place : Pune  
Dated : May 23, 2017

For and on behalf of the Board of Directors  
**Vineet Jain**  
Chairman  
[DIN: 00003962]  
**N. Subramanian**  
Group CFO

**Richard Saldanha**  
Director  
[DIN: 00189029]  
**Mehul Shah**  
SVP Compliance and Company Secretary  
[Membership No.: FCS 5839]

**Prashant Panday**  
Managing Director & CEO  
[DIN: 02747925]



# NOTES

forming part of the Consolidated Financial Statements



## Corporate Information

Entertainment Network (India) Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company was incorporated on June 24, 1999 and has registered office at Mumbai, Maharashtra, India. The Company operates FM radio broadcasting stations in 40 Indian cities under the brand names 'Radio Mirchi' and 'Mirchi Love'.

The Company's principal revenue stream is advertising. Advertising revenues are generated through the sale of air time in the Company's FM radio broadcasting stations, activations and monetization of Company's digital and other media properties.

These financial statements were approved for issue by the Company's Board of Directors on May 23, 2017.

### 1. Significant Accounting Policies

#### i. Basis of Accounting

These consolidated financial statements of Entertainment Network (India) Limited (the Company) and Alternate Brand Solutions (India) Limited, (collectively referred to as 'the Group') are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair value and defined benefit plans that are measured on actuarial basis and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - 'First time adoption of Indian Accounting Standards'. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 50. Accounting policies have been consistently applied except where a newly issued accounting standard has been adopted or a revision to an existing accounting standard requires a consequent change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Act.

#### ii. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The revenue recognised is net of discounts and service tax.

- a. Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials.
- b. Revenue from other services is recognized, in the period in which the services are rendered and where applicable, the percentage completed method is applied.

#### iii. Principles of Consolidation

1. The consolidated financial statements have been prepared on the following basis:
  - The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the fair values of like items of assets, liabilities, revenues and expenses.
  - Intra-group balances and intra-group transactions and resulting profits are eliminated in full.
  - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

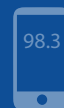


## NOTES

forming part of the Consolidated Financial Statements



MIRCHI 3



2. The relevant details in respect of the subsidiary considered in the consolidated financial statements are summarized below:

| Name of the Entity                                                                    | % of holding | Net Assets, i.e. total assets minus total liabilities |                     | Share in profit or loss               |                     |
|---------------------------------------------------------------------------------------|--------------|-------------------------------------------------------|---------------------|---------------------------------------|---------------------|
|                                                                                       |              | As % of Consolidated net assets                       | Amount (₹ in lakhs) | As % of consolidated Profit or (Loss) | Amount (₹ in lakhs) |
| Alternate Brand Solutions (India) Limited (ABSL) from April 1, 2016 to March 31, 2017 | 100%         | 1.14                                                  | 973.47              | 1.27                                  | 69.55               |

#### iv. Property, Plant and Equipment

Property, Plant and Equipment are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Cost of Property, Plant and Equipment comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition and location for the intended use.

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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The present value of the expected cost for the decommissioning of an asset (after its use) is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on Property, Plant and Equipment not ready for their intended use is disclosed as Capital Work-in-Progress. Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

Depreciation on Property, Plant and Equipment, other than leasehold improvements, is provided on written down value method as per the useful life and in the manner specified in schedule II to the Act. Leasehold improvements are depreciated on straight line basis, over the lease period.

The estimated useful lives used by the Company to compute depreciation is as under:

| Asset class                                            | Useful lives estimated by the management (in years) |
|--------------------------------------------------------|-----------------------------------------------------|
| Building (Including compensation paid for use of land) | 60                                                  |
| Plant and machinery- Studio                            | 15                                                  |
| Plant and machinery -Transmission                      | 13                                                  |
| Furniture and fixtures                                 | 10                                                  |
| Office equipment                                       | 5                                                   |
| Motor vehicles                                         | 8                                                   |
| Leasehold improvements                                 | Life based on lease period                          |
| Computers                                              | 3                                                   |
| Computers - Servers                                    | 6                                                   |

The residual values are not more than 5% of the original cost of the asset. Property, Plant and Equipment costing less than ₹ 5,000 are depreciated fully in the year of purchase. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

An item of Property, Plant & Equipment is derecognised upon disposal and any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.



# NOTES

forming part of the Consolidated Financial Statements



## v. Intangible assets

### a. Frequency Module (FM) Radio Licenses

Non Refundable One Time Migration Fees paid by the Company for existing FM Radio licenses upon migration to Phase III of the Licensing policy and Non Refundable One Time Entry Fees paid by the Company for acquiring new FM radio licenses have been capitalised as an intangible asset. These assets are stated at cost less accumulated amortization and impairment losses, if applicable.

A summary of amortization policies applied to the licenses is tabulated below:

| Asset class                            | Useful lives estimated by the management                                |
|----------------------------------------|-------------------------------------------------------------------------|
| Non Refundable One Time Migration Fees | 15 years with effect from April 1, 2015                                 |
| Non Refundable One Time Entry Fees     | 15 years from the date of operationalisation of the respective stations |

### b. Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets and liabilities of the acquisition. Goodwill is measured at cost less accumulated impairment losses.

### c. Software

- Software acquired initially together with hardware is capitalised along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software licenses are treated as revenue expenditure and charged to the profit and loss account in the year of purchase.
- Expenditure on Enterprise Software such as SAP, Sales CRM and Performance Appraisal Software etc. where the economic benefit is expected to be more than a year is recognised as an "Intangible Asset" and are amortised over a period of 45 to 60 months.

## vi. Investment property

Investment in buildings that is not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. All repairs and maintenance costs incurred for the investment properties are charged to profit and loss account when incurred.

Investment properties are carried at cost less accumulated depreciation and impairment loss, if any. Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

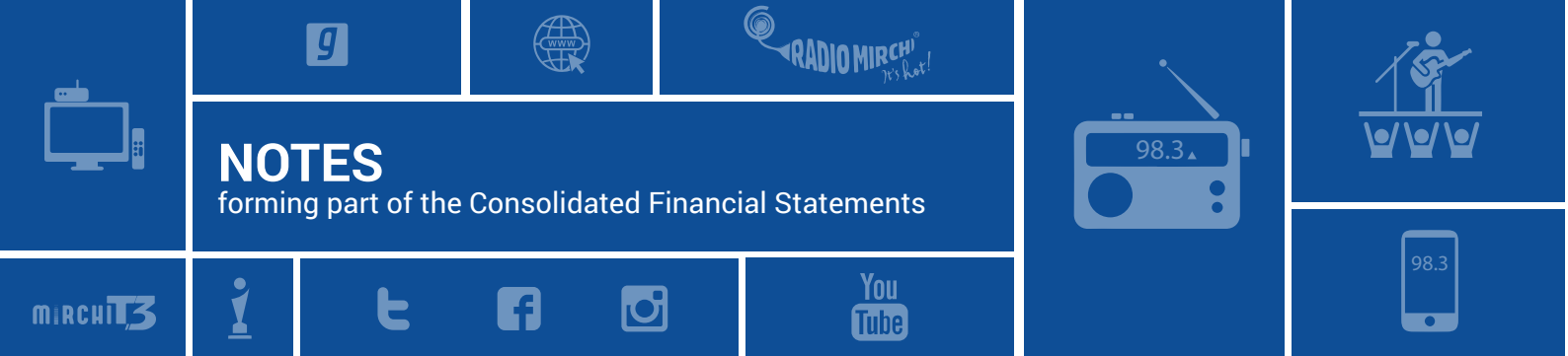
## vii. Borrowing cost

Borrowing cost directly attributable to qualifying assets, which take substantial period to get ready for its intended use, are capitalized to the extent they relate to the period until such assets are ready to be put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## viii. Foreign currency transactions

The Functional Currency of the Group is the Indian Rupee. These financial statements are presented in Indian rupees (rounded off to lakhs; one lakh equals one hundred thousand).

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rates prevailing on that day. Exchange differences are recognised in the statement of profit and loss.



# NOTES

forming part of the Consolidated Financial Statements

## ix. Financial instruments

### a. Recognition and initial measurement

The Group recognizes trade receivables and debt securities when they are originated at transaction price. All other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Except trade receivables, all financial assets and liabilities are recognised at fair value. In case of financial assets and liabilities that are not measured at fair value through profit or loss, directly attributable transaction costs are added to the fair value on initial recognition.

### b. Classification and subsequent measurement

#### i. Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Investments that are intended to be held for not more than a year from the date of investment are classified as current investments. All other investments are termed as long term investments. The portion of long term investments which is expected to be realized within twelve months from the balance sheet date is classified as current investments.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as gain/(losses) in the statement of profit and loss.

#### ii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rates method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments.

Changes in the fair value of financial liabilities at fair value through profit or loss are recognised as gain/(losses) in the statement of profit and loss.

### c. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109- 'Financial Instruments'. A financial liability (or part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### d. Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 - 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### e. Income recognition

- i. Dividends are recognised in statement of 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 Group, and the amount of the dividend can be measured reliably.
- ii. Interest income from financial assets is recognised using the effective interest rate method. The



# NOTES

forming part of the Consolidated Financial Statements



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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## x. Employee benefits

### a. Defined Contribution Plans:

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995 and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are recognized in the statement of profit and loss every year.

### b. Defined Benefit Plans:

The Company has defined benefit plans namely gratuity for all its employees. Liability for Defined Benefit Plans is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method.

Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent period.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

### c. Other Long term benefits

The Company has other long term benefits namely compensated absences for all its employees. The liabilities in respect of compensated absences which are expected to be encashed / utilised before twelve months from the balance sheet date are short term. Other such liabilities are considered long term.

### d. Termination benefits are recognised as an expense as and when incurred.

## xi. Operating leases

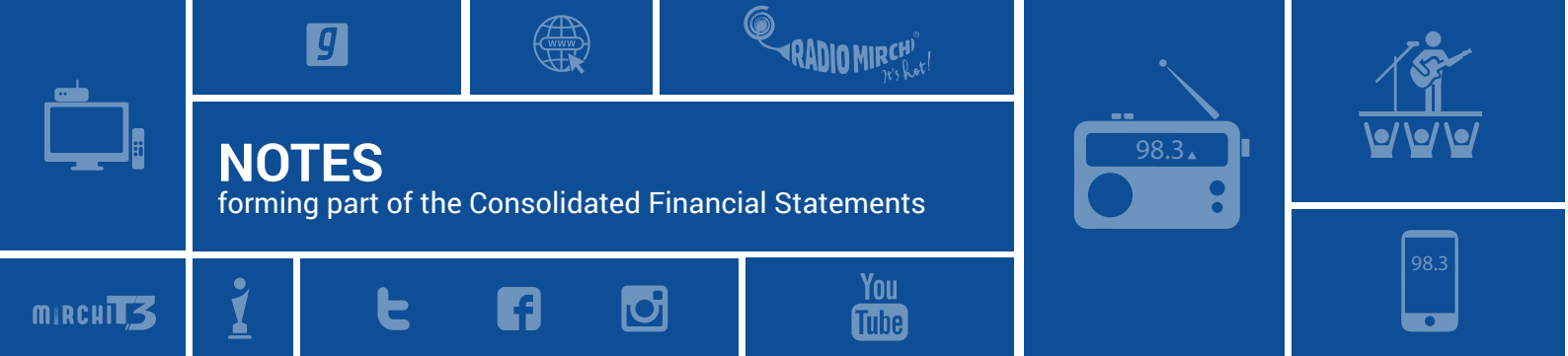
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net off any lease incentives received from the lessor are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the increase in payments is in line with the expected general inflation.

## xii. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any are shown as borrowings under current liabilities in the balance sheet.

## xiii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events (such as bonus shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For calculating diluted earnings per share, the



## NOTES

forming part of the Consolidated Financial Statements

net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### xiv. Income taxes

Tax expense comprises current and deferred tax. Current income tax and deferred tax are measured based on the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with tax laws which give rise to future economic benefits in the form of adjustment to future income tax liability is considered as an asset, if there is convincing evidence that the Group will pay normal tax in future. Accordingly, MAT is recognised as a deferred tax asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably. The Group reviews the 'Minimum Alternate Tax (MAT) Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in other comprehensive income or directly in equity. In such situations, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

#### xv. Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that a non-financial asset, other than goodwill, may be impaired. If any such indication exists, the Group estimates the recoverable amount of such asset. If recoverable amount of such asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical carrying value.

Goodwill is not subject to amortisation and is tested for impairment on each reporting date. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

#### xvi. Provisions and contingent liabilities

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



# NOTES

forming part of the Consolidated Financial Statements



## xvii. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of approval by the Company's Board of Directors.

## xviii. Business combinations

Business combinations are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve without routing the same through OCI.

## xix. License Fees

As per the applicable Frequency Module (FM) broadcasting policy, license fees is recognized in statement of profit and loss at the rate of 4% of gross revenue for the financial year or minimum fixed fee for the concerned city, whichever is higher. Minimum fixed fee is 2.5% of the Non-Refundable One Time Entry Fees (NOTEF).

Gross Revenue for this purpose shall mean revenue on the basis of billing rates inclusive of any taxes. Barter advertising contracts are also included in the gross revenue on the basis of relevant billing rates. NOTEF means the successful bid amount arrived at through an ascending e-auction process for private FM Radio Phase-III Channels conducted by the Ministry of Information & Broadcasting ('MIB').

## 1A. Recent accounting pronouncements

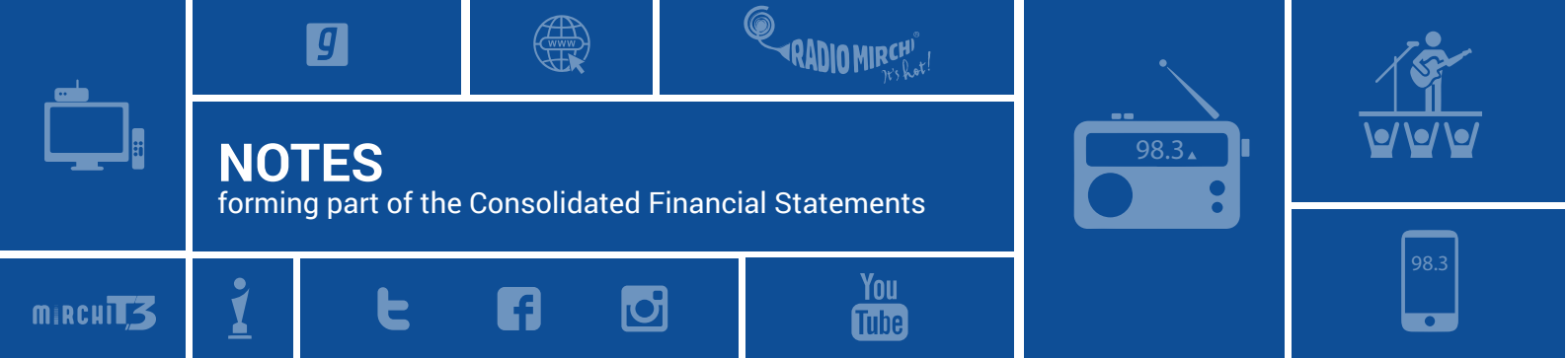
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 - 'Statement of cash flows' and Ind AS 102- 'Share-based payment.' These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS 7 - 'Statement of cash flows' and IFRS 2 - 'Share-based payment,' respectively. The amendments are effective from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This may require inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosure requirement. The Group is evaluating the requirements of the amendment and its effect on the financial statements.

Presently, Group does not have any share based payments. Consequently, the amendments to Ind AS 102 are currently not relevant to the Group.

## 1B. Critical estimates and/or judgements

The preparation of financial statements requires the use of accounting estimates, which will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved more 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.



## NOTES

forming part of the Consolidated Financial Statements

The areas involving critical estimates or judgements are:

- a. Current tax expense and payable- Refer Note 34 and Note 46 (b)
- b. Goodwill impairment- Refer Note 5
- c. Useful life of intangible asset- Refer Note 6
- d. Defined benefit obligation- Refer Note 38
- e. Impairment of trade receivables- Refer Note 12
- f. Recognition of deferred tax assets- Refer Note 21 and 34

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group. The estimates and judgements made by the management are believed to be reasonable under the prevailing circumstances.

## NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(Refer Notes 1 (iv) and (xv))

| Particulars                                            | GROSS CARRYING VALUE            |               |              | DEPRECIATION         |                     |                 | NET CARRYING VALUE<br>(₹ in lakhs) |
|--------------------------------------------------------|---------------------------------|---------------|--------------|----------------------|---------------------|-----------------|------------------------------------|
|                                                        | Deemed cost as at April 1, 2015 | Additions     | Disposals    | As at March 31, 2016 | As at April 1, 2015 | For the year    | As at March 31, 2016               |
| Building (Including compensation paid for use of land) | 58.83                           | —             | —            | 58.83                | —                   | 1.87            | 1.87                               |
| Leasehold Improvements                                 | 537.23                          | 53.44         | 19.78        | 570.89               | —                   | 273.88          | 273.88                             |
| Office Equipments                                      | 94.16                           | 26.95         | 1.23         | 119.88               | —                   | 24.98           | 24.98                              |
| Plant and Machinery (Refer Note A)                     | 1,614.25                        | 272.34        | 9.49         | 1,877.10             | —                   | 502.59          | 502.59                             |
| Computers                                              | 294.32                          | 251.66        | 1.90         | 544.08               | —                   | 209.99          | 209.99                             |
| Furniture and Fixtures                                 | 24.34                           | 12.57         | 0.55         | 36.36                | —                   | 10.87           | 10.87                              |
| Motor Vehicles                                         | 8.48                            | 17.14         | 0.40         | 25.22                | —                   | 3.65            | 3.65                               |
| <b>Total</b>                                           | <b>2,631.61</b>                 | <b>634.10</b> | <b>33.35</b> | <b>3,232.36</b>      | <b>—</b>            | <b>1,027.83</b> | <b>2,204.53</b>                    |

| Particulars                                            | GROSS CARRYING VALUE               |                 |               | DEPRECIATION         |                     |                 | NET CARRYING VALUE   |
|--------------------------------------------------------|------------------------------------|-----------------|---------------|----------------------|---------------------|-----------------|----------------------|
|                                                        | Carrying value as at April 1, 2016 | Additions       | Disposals     | As at March 31, 2017 | As at April 1, 2016 | For the year    | As at March 31, 2017 |
| Building (Including compensation paid for use of land) | 58.83                              | —               | —             | 58.83                | 1.87                | 8.59            | 10.46                |
| Leasehold Improvements                                 | 570.89                             | 1,489.48        | —             | 2,060.37             | 273.88              | 245.63          | 519.51               |
| Office Equipments                                      | 119.88                             | 50.61           | 11.67         | 158.82               | 24.98               | 29.45           | 47.68                |
| Plant and Machinery (Refer Note A)                     | 1,877.10                           | 2,894.24        | 71.17         | 4,700.17             | 502.59              | 699.93          | 1,146.68             |
| Computers                                              | 544.08                             | 470.69          | 20.46         | 994.31               | 209.98              | 305.50          | 501.30               |
| Furniture and Fixtures                                 | 36.36                              | 67.35           | 0.94          | 102.77               | 10.87               | 38.12           | 48.33                |
| Motor Vehicles                                         | 25.22                              | 22.91           | 5.10          | 43.03                | 3.65                | 9.25            | 9.13                 |
| <b>Total</b>                                           | <b>3,232.36</b>                    | <b>4,995.28</b> | <b>109.34</b> | <b>8,118.30</b>      | <b>1,027.83</b>     | <b>1,336.47</b> | <b>2,283.09</b>      |

Note:  
A. Plant and Machinery includes jointly held assets at Common Transmission Infrastructure (CTI) amounting to ₹ 1698.93 lakhs (as at March 31, 2016 : ₹ 465.75 lakhs, as at April 1, 2015 : ₹ 473.36 lakhs).

NOTE 3 : CAPITAL WORK IN PROGRESS

| Particulars                                 | (₹ in lakhs)     |
|---------------------------------------------|------------------|
| <b>Deemed cost as at April 1, 2015</b>      | <b>Amount</b>    |
| Add : Additions for the year                | –                |
| Less: Amount Capitalized                    | 73,572.86        |
| <b>Closing balance as on March 31, 2016</b> | <b>37,909.17</b> |
| Add: Additions for the year                 | <b>35,663.69</b> |
| Less: Amount Capitalized                    | 10,588.10        |
| <b>Closing balance as on March 31, 2017</b> | <b>39,607.97</b> |
| <b>Closing balance as on March 31, 2017</b> | <b>6,643.82</b>  |

Note: Capital Work in Progress includes Non refundable One Time Entry Fees (NOTEF) for new stations, borrowing cost capitalised on the same and the other assets necessary for getting the stations operationalised.

NOTE 4 : INVESTMENT PROPERTIES

| Particulars                                 | (₹ in lakhs)  |
|---------------------------------------------|---------------|
| <b>Deemed cost as at April 1, 2015</b>      | <b>Amount</b> |
| Add : Additions for the year                | <b>101.86</b> |
| Less : Depreciation                         | 1.18          |
| <b>Closing balance as on March 31, 2016</b> | <b>–</b>      |
| Add : Additions for the year                | <b>103.04</b> |
| Less : Depreciation                         | –             |
| <b>Closing balance as on March 31, 2017</b> | <b>0.25</b>   |
| <b>Fair value</b>                           | <b>102.79</b> |
| As at April 1, 2015                         | 113.98        |
| As at March 31, 2016                        | 113.19        |
| As at March 31, 2017                        | 125.15        |

Note: The best evidence of fair value is the current price in an active market for similar properties. The Company obtains the range of current prices of similar properties through market sources. The lowest amount in the range is considered as the fair value. To assess impairment, if any the carrying amount of the investment properties is compared to the net realisable value (i.e.fair value less cost to sell) of the investment properties.

NOTE 5 : GOODWILL

| Particulars                                 | (₹ in lakhs)  |
|---------------------------------------------|---------------|
| <b>Deemed cost as on April 1, 2015</b>      | <b>Amount</b> |
| Less: Impairment                            | <b>46.27</b>  |
| <b>Closing balance as on March 31,2016</b>  | <b>–</b>      |
| Less: Impairment                            | <b>46.27</b>  |
| <b>Closing balance as on March 31, 2017</b> | <b>–</b>      |
| <b>Closing balance as on March 31, 2017</b> | <b>46.27</b>  |

Note : The Company tests whether goodwill has suffered any impairment at each reporting date. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management covering a five-year period. This is discounted at the borrowing cost of the Company.

**NOTE 6: OTHER INTANGIBLE ASSETS**

(Refer Notes 1(v) (a), 1(v) (c) & (xv))

| Particulars                               | GROSS CARRYING VALUE            |                  |                 |                      | AMORTISATION        |                 |           |                      | NET CARRYING VALUE |
|-------------------------------------------|---------------------------------|------------------|-----------------|----------------------|---------------------|-----------------|-----------|----------------------|--------------------|
|                                           | Deemed cost as at April 1, 2015 | Additions        | Disposals       | As at March 31, 2016 | As at April 1, 2015 | For the year    | Disposals | As at March 31, 2016 |                    |
| Computer Software                         | 49.27                           | 30.94            | —               | 80.21                | —                   | 39.37           | —         | 39.37                | 40.84              |
| Migration Fees (Refer Note A)             | —                               | 36,804.74        | —               | 36,804.74            | —                   | 2,414.91        | —         | 2,414.91             | 34,389.83          |
| One Time Entry Fees (Refer Notes B and C) | 2,622.20                        | 426.87           | 2,476.03        | 573.04               | —                   | 124.62          | —         | 124.62               | 448.42             |
| <b>Total</b>                              | <b>2,671.47</b>                 | <b>37,262.55</b> | <b>2,476.03</b> | <b>37,457.99</b>     | <b>—</b>            | <b>2,578.90</b> | <b>—</b>  | <b>2,578.90</b>      | <b>34,879.09</b>   |

## Particulars

| Particulars                               | GROSS CARRYING VALUE               |           |           |                      | AMORTISATION        |              |           |                      | NET CARRYING VALUE |
|-------------------------------------------|------------------------------------|-----------|-----------|----------------------|---------------------|--------------|-----------|----------------------|--------------------|
|                                           | Carrying value as at April 1, 2016 | Additions | Disposals | As at March 31, 2017 | As at April 1, 2016 | For the year | Disposals | As at March 31, 2017 |                    |
| Computer Software                         | 80.21                              | —         | —         | 80.21                | 39.37               | 32.23        | —         | 8.61                 |                    |
| Migration Fees (Refer Note A)             | 36,804.74                          | —         | —         | 36,804.74            | 2,414.91            | 2,456.63     | —         | 31,933.20            |                    |
| One Time Entry Fees (Refer Notes B and C) | 573.04                             | 34,612.68 | —         | 35,185.72            | 124.62              | 1,534.88     | —         | 33,526.22            |                    |
| Total                                     | 37,457.99                          | 34,612.68 | —         | 72,070.67            | 2,578.90            | 4,023.74     | —         | 65,468.03            |                    |

Notes:

A) As per the modified policy for expansion of FM Radio Broadcasting Services through Private Agencies (Phase III), effective April 1, 2015 the Company was given the option to migrate all its existing licenses from Phase II regime to Phase III regime on payment of Non refundable One Time Migration Fees (NOTMF). NOTMF for each station was determined based on the prescribed formula by the MIB vide its order dated January 21, 2015. The Company had exercised the option to migrate 35 out of its 36 stations (including the four stations acquired from TV Today Network Limited referred to in Note 45) from Phase II to Phase III for which the gross migration fee was ₹ 36,558.51 lakhs and the net migration fee after taking into account the residual value of the Phase II licenses was ₹ 34,082.48 lakhs. NOTMF has a remaining amortisation period of thirteen years.

B) In the previous year, the Company won 17 new licenses in the Phase III auctions, The Company paid ₹ 33,924.23 lakhs Non Refundable One Time Entry Fees ("NOTEF") for these licences of which 3 stations are pending to be launched as on March 31, 2017. The NOTEF was partially funded through borrowings. In the current year, the Company won 21 new licenses in the Batch 2 of Phase III auctions. The Company paid a Non Refundable One Time Entry Fees ("NOTEF") of ₹ 5,140.43 lakhs for these licenses. The NOTEF was entirely funded through borrowings. None of the Batch 2 Phase III stations were operational as on March 31, 2017. All the Phase III licenses have a tenure of 15 years from the date of operationalization of such licenses.

C) Includes borrowing cost of ₹ 1,963.84 lakhs (As at March 31, 2016: ₹ 15.76 lakhs) on account of NOTEF for stations launched during the year.

## NOTE 7 : NON-CURRENT INVESTMENTS

(Refer Note 1 (ix))

| Particulars                                                                                                        | Figures as at March 31, 2017 |               | Figures as at March 31, 2016 |                 | Figures as at March 31, 2015 |                  |
|--------------------------------------------------------------------------------------------------------------------|------------------------------|---------------|------------------------------|-----------------|------------------------------|------------------|
|                                                                                                                    | Nos. of Units                | Amount        | Nos. of Units                | Amount          | Nos. of Units                | Amount           |
| <b>Other Investments</b>                                                                                           |                              |               |                              |                 |                              |                  |
| <b>Investments in mutual funds carried at fair value through Profit and Loss</b>                                   |                              |               |                              |                 |                              |                  |
| Non-Trade, Non-Current (Unquoted - Mutual Funds)                                                                   |                              |               |                              |                 |                              |                  |
| Axis Treasury Advantage Fund - Direct - Growth, of ₹ 1,000 each                                                    | —                            | —             | —                            | —               | 81,213                       | 1,271.80         |
| DHFL Pramerica Insta Cash Plus Fund - Bonus, of ₹ 100 each (formerly DWS Insta Cash fund)                          | —                            | —             | 323,887                      | 434.85          | 314,660                      | 401.70           |
| DHFL Pramerica Low Duration Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Cash Opportunities Fund) | —                            | —             | —                            | —               | 4,161,594                    | 462.03           |
| DHFL Pramerica Short Maturity Fund - Direct Plan - Annual Bonus, of ₹ 10 each (formerly DWS Short Maturity Fund)   | —                            | —             | —                            | —               | 1,154,308                    | 197.41           |
| DHFL Pramerica Ultra Short Term Fund - Direct Plan - Growth, of ₹ 10 each (formerly DWS Ultra Short Term Fund)     | —                            | —             | 11,826,886                   | 2,174.57        | —                            | —                |
| Edelweiss India Liquid Fund - Direct Plan - Growth, of ₹ 10 each (formerly JP Morgan India Treasury Fund)          | —                            | —             | 6,121,798                    | 697.52          | —                            | —                |
| Franklin India Treasury Management Account - Super Institutional Plan - Direct - Growth, of ₹ 1,000 each           | —                            | —             | —                            | —               | 110,296                      | 2,305.06         |
| ICICI Prudential Flexible Income - Direct Plan - Growth, of ₹ 100 each                                             | —                            | —             | —                            | —               | 869,636                      | 2,291.84         |
| Invesco Ultra Short Term Fund-Direct Plan Bonus, of ₹ 1,000 each (formerly Religare Invesco Ultra Short Term Fund) | —                            | —             | 67,228                       | 787.23          | 67,228                       | 725.10           |
| JP Morgan India Liquid Fund -Direct Plan - Growth, of ₹ 10 each                                                    | —                            | —             | —                            | —               | 6,121,798                    | 646.77           |
| Religare Invesco Credit Opportunities Fund - Direct Plan - Growth, of ₹ 1,000 each                                 | —                            | —             | —                            | —               | 80,300                       | 1,286.52         |
| Reliance Liquid Fund - Treasury Plan - Growth Option - LFIG, of ₹ 1,000 each                                       | 9,533                        | 376.95        | 9,533                        | 351.35          | 9,533                        | 324.67           |
| Reliance Liquid Fund - Treasury Plan - Direct - Growth Plan - Growth Option of ₹ 1,000 each                        | 2,861                        | 113.52        | 2,861                        | 105.73          | 2,903                        | 99.03            |
| Reliance Money Manager Fund - Growth Plan - Growth Option - LPIG, of ₹ 1,000 each                                  | 5,113                        | 114.65        | 5,113                        | 106.08          | 5,113                        | 97.84            |
| Reliance Medium Term Fund - Growth Plan - Growth Option - IPGP, of ₹ 10 each                                       | 965,065                      | 329.32        | 965,065                      | 302.88          | 965,065                      | 278.89           |
| Sundaram Flexi Fund ST Plan Direct Plan Bonus, of ₹ 10 each                                                        | —                            | —             | —                            | —               | 5,105,654                    | 564.25           |
| Sundaram Select Debt ST Asset Direct Bonus, of ₹ 10 each                                                           | —                            | —             | —                            | —               | 2,404,436                    | 293.77           |
| Sundaram Flexible Fund ST Plan - Direct Plan - Growth, of ₹ 10 each                                                | —                            | —             | —                            | —               | 5,227,993                    | 1,154.85         |
| Sundaram Money Fund - Direct Plan - Growth, of ₹ 10 each                                                           | —                            | —             | —                            | —               | 8,787,920                    | 2,593.91         |
| UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth, of ₹ 1,000 each                           | —                            | —             | —                            | —               | 41,743                       | 794.59           |
| <b>Total Non-Current Investments</b>                                                                               |                              | <b>934.44</b> |                              | <b>4,960.21</b> |                              | <b>15,790.02</b> |

Note: Aggregate amount of unquoted Instruments is ₹ 933.44 lakhs (March 31, 2016 : ₹ 4,960.21 lakhs, April 1, 2015 : 15,790.03 lakhs)



# NOTES

forming part of the Consolidated Financial Statements



(₹ in lakhs)

|                                                                                                                                                   | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 8: LOANS</b>                                                                                                                              |                                 |                                 |                                 |
| <b>(Unsecured, considered good, unless otherwise stated)</b>                                                                                      |                                 |                                 |                                 |
| <b>Deposits</b>                                                                                                                                   |                                 |                                 |                                 |
| Due from Related Party                                                                                                                            | 100.00                          | 100.00                          | 100.00                          |
| Others                                                                                                                                            | 1,779.77                        | 1,670.55                        | 1,013.32                        |
| Employee loans                                                                                                                                    | 2.00                            | 3.00                            | 1.00                            |
|                                                                                                                                                   | <b>1,881.77</b>                 | <b>1,773.55</b>                 | <b>1,114.32</b>                 |
| <b>NOTE 9 : OTHER NON CURRENT FINANCIAL ASSETS</b>                                                                                                |                                 |                                 |                                 |
| Non current bank balances (margin money deposits)                                                                                                 | —                               | —                               | 653.20                          |
|                                                                                                                                                   | <b>—</b>                        | <b>—</b>                        | <b>653.20</b>                   |
| <b>NOTE 10 : OTHER NON CURRENT ASSETS</b>                                                                                                         |                                 |                                 |                                 |
| Capital advances                                                                                                                                  | 804.88                          | 1,928.98                        | 0.65                            |
| Advance tax and tax deducted at source [Net of provision ₹ 17,453.48 lakhs (March 31, 2016 : ₹ 15,490.84 lakhs, April 1, 2015 ₹ 12,381.36 lakhs)] | 153.46                          | 170.51                          | 60.76                           |
| Others                                                                                                                                            | 14.05                           | 14.05                           | —                               |
|                                                                                                                                                   | <b>972.39</b>                   | <b>2,113.54</b>                 | <b>61.41</b>                    |





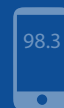
# NOTES

forming part of the Consolidated Financial Statements



(₹ in lakhs)

|                                                                                              | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|----------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 12 : TRADE RECEIVABLES</b><br>(Refer Note 1 (ix))                                    |                                 |                                 |                                 |
| <b>Unsecured, considered good</b>                                                            |                                 |                                 |                                 |
| From related party                                                                           | 629.01                          | 1,290.31                        | 823.62                          |
| From Others                                                                                  | 15,586.43                       | 12,739.39                       | 11,662.37                       |
|                                                                                              | <b>16,215.44</b>                | <b>14,029.70</b>                | <b>12,485.99</b>                |
| <b>Unsecured, considered doubtful</b>                                                        |                                 |                                 |                                 |
| From related party                                                                           | —                               | —                               | —                               |
| From Others                                                                                  | 2,316.11                        | 1,628.76                        | 1,436.44                        |
|                                                                                              | <b>2316.11</b>                  | <b>1628.76</b>                  | <b>1436.44</b>                  |
|                                                                                              | 18,531.55                       | 15,658.46                       | 13,922.43                       |
| Less: Provision for doubtful debts                                                           | (2,316.11)                      | (1,628.76)                      | (1,436.44)                      |
|                                                                                              | <b>16,215.44</b>                | <b>14,029.70</b>                | <b>12,485.99</b>                |
| <b>NOTE 13 : CASH AND CASH EQUIVALENTS</b><br>(Refer Note 1 (xii))                           |                                 |                                 |                                 |
| Cheques on hand                                                                              | 363.30                          | 161.91                          | 83.67                           |
| Cash on Hand                                                                                 | —                               | 1.06                            | —                               |
| Balances with banks :                                                                        |                                 |                                 |                                 |
| Current Accounts                                                                             | 1,493.98                        | 1,455.31                        | 1,344.14                        |
|                                                                                              | <b>1,857.28</b>                 | <b>1,618.28</b>                 | <b>1,427.81</b>                 |
| <b>NOTE 14 : OTHER BANK BALANCES</b><br>(Refer Note 1 (xii))                                 |                                 |                                 |                                 |
| On Unpaid dividend account                                                                   | 0.65                            | 0.52                            | 0.41                            |
| Balances with bank held as security against guarantees issued by banks                       |                                 |                                 |                                 |
| Margin money deposits                                                                        | 4.28                            | 362.65                          | —                               |
|                                                                                              | <b>4.93</b>                     | <b>363.17</b>                   | <b>0.41</b>                     |
| <b>NOTE 15 : OTHER CURRENT FINANCIAL ASSETS</b>                                              |                                 |                                 |                                 |
| Due from other related parties                                                               | 1.09                            | 0.30                            | 0.28                            |
| Deposits                                                                                     | 109.50                          | 32.85                           | 3.96                            |
| Interest accrued on deposits                                                                 | 0.03                            | 3.34                            | 22.56                           |
| Unbilled Revenue                                                                             | 200.00                          | —                               | —                               |
|                                                                                              | <b>310.62</b>                   | <b>36.49</b>                    | <b>26.80</b>                    |
| <b>NOTE 16 : OTHER CURRENT ASSETS</b><br>(Unsecured considered good unless otherwise stated) |                                 |                                 |                                 |
| Prepaid expenses                                                                             | 930.26                          | 987.67                          | 504.71                          |
| Advances recoverable in cash or in kind or for value to be received                          | 1,781.54                        | 740.16                          | 426.26                          |
| Others                                                                                       | 43.29                           | 25.28                           | 29.74                           |
|                                                                                              | <b>2,755.09</b>                 | <b>1,753.11</b>                 | <b>960.71</b>                   |



# NOTES

forming part of the Consolidated Financial Statements

MIRCHI TV



(₹ in lakhs)

|                                                                                                              | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|--------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 17 : EQUITY SHARE CAPITAL</b>                                                                        |                                 |                                 |                                 |
| <b>Authorised Capital</b>                                                                                    |                                 |                                 |                                 |
| 120,000,000 (March 31, 2016 : 120,000,000, April 1, 2015 : 120,000,000) Equity Shares of ₹ 10 each           | 12,000.00                       | 12,000.00                       | 12,000.00                       |
| <b>Issued and Subscribed</b>                                                                                 |                                 |                                 |                                 |
| 47,670,415 (March 31, 2016 : 47,670,415, April 1, 2015: 47,670,415) Equity Shares of ₹ 10 each fully paid-up | 4,767.04                        | 4,767.04                        | 4,767.04                        |
|                                                                                                              | 4,767.04                        | 4,767.04                        | 4,767.04                        |

Note :

(a) **Terms attached to equity shares**

The Company has only one class of equity shares. Each shareholder is eligible for one vote per share held. The par value per share is ₹ 10. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.

| (b) Shares held by Holding company and Ultimate holding company                                                        | Shares (nos)           | Shares (nos)           | Shares (nos)           |
|------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| i) Equity Shares of ₹ 10 each held by Times Infotainment Media Limited, the Erstwhile Holding Company. (Refer Note 44) | —                      | 30,526,560             | 30,526,560             |
| ii) Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited, the Holding Company. (Refer Note 44)        | 33,918,400             | 3,391,840              | 3,391,840              |
| (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company                 | Shares (nos)<br>(in %) | Shares (nos)<br>(in %) | Shares (nos)<br>(in %) |
| i) Times Infotainment Media Limited, the Erstwhile Holding Company. (Refer Note 44)                                    | —<br>—                 | 30,526,560<br>(64.04%) | 30,526,560<br>(64.04%) |
| ii) Bennett, Coleman & Company. Limited, the Holding Company. (Refer Note 44)                                          | 33,918,400<br>(71.16%) | 3,391,840<br>(7.12%)   | 3,391,840<br>(7.12%)   |

**NOTE 18 : OTHER EQUITY**

|                                                                                                        |                  |                  |                  |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Securities Premium Account                                                                             | 18,850.70        | 18,850.70        | 18,850.70        |
| Retained Earnings                                                                                      | 62,119.63        | 57,225.19        | 46,926.56        |
|                                                                                                        | 80,970.33        | 76,075.89        | 65,777.26        |
| <b>Securities Premium Account</b>                                                                      |                  |                  |                  |
|                                                                                                        | 18,850.70        | 18,850.70        | 18,850.70        |
| <b>Retained Earnings</b>                                                                               |                  |                  |                  |
| Balance as at beginning of the year                                                                    | 57,225.19        | 46,926.56        | 34,407.98        |
| Add: Profit for the year                                                                               | 5,468.20         | 10,872.38        | 10,597.70        |
| Add: Opening Ind AS adjustment                                                                         | —                | —                | 2,504.12         |
| Proposed Dividend on equity shares [per share ₹ 1.00 (March 31, 2016 : ₹ 1.00), April 1, 2015: ₹ 1.00] | (476.71)         | (476.70)         | —                |
| Dividend distribution tax                                                                              | (97.05)          | (97.05)          | —                |
| Less: Adjustments due to change in rates of depreciation (Net of deferred tax)                         | —                | —                | (583.24)         |
| <b>Closing Balance as at the end of the year</b>                                                       | <b>62,119.63</b> | <b>57,225.19</b> | <b>46,926.56</b> |



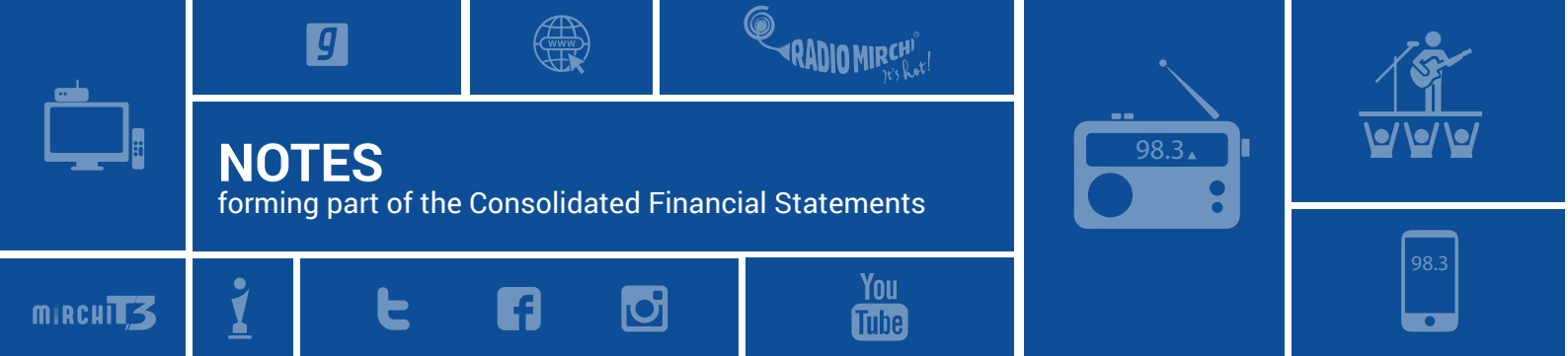
# NOTES

forming part of the Consolidated Financial Statements



(₹ in lakhs)

|                                                                                                                                                                                                                                                                                                                                                                | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 19 : OTHER NON CURRENT FINANCIAL LIABILITIES</b>                                                                                                                                                                                                                                                                                                       |                                 |                                 |                                 |
| Security deposit                                                                                                                                                                                                                                                                                                                                               | —                               | —                               | 29.88                           |
|                                                                                                                                                                                                                                                                                                                                                                | —                               | —                               | <b>29.88</b>                    |
| <b>NOTE 20 : EMPLOYEE BENEFIT OBLIGATIONS</b>                                                                                                                                                                                                                                                                                                                  |                                 |                                 |                                 |
| <b>Provision for employee benefits</b>                                                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| Provision for gratuity (Refer Notes 1(x) and 38)                                                                                                                                                                                                                                                                                                               | 708.13                          | 570.08                          | 487.73                          |
| Provision for compensated absences (Refer Notes 1(x))                                                                                                                                                                                                                                                                                                          | 183.63                          | 153.46                          | 193.42                          |
|                                                                                                                                                                                                                                                                                                                                                                | <b>891.76</b>                   | <b>723.54</b>                   | <b>681.15</b>                   |
| <b>NOTE 21 : DEFERRED TAX LIABILITIES (NET)</b><br>(Refer Note 1(xiv))                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| Deferred tax assets and liabilities are attributable to the following items :                                                                                                                                                                                                                                                                                  |                                 |                                 |                                 |
| <b>Assets:</b>                                                                                                                                                                                                                                                                                                                                                 |                                 |                                 |                                 |
| Provision for doubtful debts                                                                                                                                                                                                                                                                                                                                   | 801.56                          | 563.68                          | 497.12                          |
| Provision for compensated absences                                                                                                                                                                                                                                                                                                                             | 91.53                           | 77.03                           | 81.91                           |
| Provision for gratuity                                                                                                                                                                                                                                                                                                                                         | 268.52                          | 217.79                          | 172.40                          |
| MAT Credit Entitlement                                                                                                                                                                                                                                                                                                                                         | 2,288.29                        | 565.48                          | 28.02                           |
| Business loss carried forward                                                                                                                                                                                                                                                                                                                                  | 1,224.00                        | —                               | —                               |
| Others                                                                                                                                                                                                                                                                                                                                                         | 545.20                          | 594.67                          | 755.62                          |
|                                                                                                                                                                                                                                                                                                                                                                | <b>5,219.10</b>                 | <b>2,018.65</b>                 | <b>1,535.07</b>                 |
| <b>Liability:</b>                                                                                                                                                                                                                                                                                                                                              |                                 |                                 |                                 |
| Depreciation                                                                                                                                                                                                                                                                                                                                                   | 5,609.48                        | 1,923.49                        | (242.68)                        |
| Gain on fair valuation of investments                                                                                                                                                                                                                                                                                                                          | 551.87                          | 670.92                          | 588.59                          |
| Others                                                                                                                                                                                                                                                                                                                                                         | 12.50                           | 8.35                            | —                               |
|                                                                                                                                                                                                                                                                                                                                                                | <b>6,173.85</b>                 | <b>2,602.76</b>                 | <b>345.91</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                | <b>954.75</b>                   | <b>584.11</b>                   | <b>(1,189.16)</b>               |
| <b>NOTE 22 : SHORT TERM BORROWINGS</b>                                                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| <b>Unsecured Loans</b>                                                                                                                                                                                                                                                                                                                                         |                                 |                                 |                                 |
| Commercial Papers                                                                                                                                                                                                                                                                                                                                              | 12,319.09                       | 25,008.45                       | —                               |
|                                                                                                                                                                                                                                                                                                                                                                | <b>12,319.09</b>                | <b>25,008.45</b>                | <b>—</b>                        |
| Unlisted Commercial Papers having face value of ₹ 13,000.00 lakhs were issued on January 24, 2017 for a tenure of 364 days at a yield of 6.75% p.a. on the issue price. During the previous year, Commercial Papers having face value of ₹ 27,000.00 lakhs were issued on March 18, 2016 for a tenure of 364 days at a yield of 8.25% p.a. on the issue price. |                                 |                                 |                                 |
| <b>NOTE 23 : TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                                                                |                                 |                                 |                                 |
| Payable to related parties                                                                                                                                                                                                                                                                                                                                     | 0.96                            | 177.99                          | 235.22                          |
| Other Trade payables (Refer Note 36)                                                                                                                                                                                                                                                                                                                           | 11,162.13                       | 7,822.07                        | 7,173.82                        |
|                                                                                                                                                                                                                                                                                                                                                                | <b>11,163.09</b>                | <b>8,000.06</b>                 | <b>7,409.04</b>                 |



# NOTES

forming part of the Consolidated Financial Statements

(₹ in lakhs)

|                                                                               | Figures as at<br>March 31, 2017 | Figures as at<br>March 31, 2016 | Figures as at<br>March 31, 2015 |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES</b>                          |                                 |                                 |                                 |
| Unpaid dividend                                                               | 0.65                            | 0.52                            | 0.41                            |
| Security deposit                                                              | 22.76                           | 29.88                           | 7.78                            |
|                                                                               | <b>23.41</b>                    | <b>30.40</b>                    | <b>8.19</b>                     |
| <b>NOTE 25 : OTHER CURRENT LIABILITIES</b>                                    |                                 |                                 |                                 |
| Advance from customers                                                        | 631.01                          | 474.23                          | 596.71                          |
| Statutory dues                                                                | 520.36                          | 460.52                          | 393.69                          |
| Employee dues                                                                 | 1,300.00                        | 1,780.00                        | 1,700.00                        |
| Provision for bonus                                                           | 61.52                           | 144.35                          | 21.03                           |
| Others                                                                        | 11.80                           | 11.80                           | 11.80                           |
|                                                                               | <b>2,524.69</b>                 | <b>2,870.90</b>                 | <b>2,723.23</b>                 |
| <b>NOTE 26 : EMPLOYEE BENEFIT OBLIGATIONS</b>                                 |                                 |                                 |                                 |
| <b>Provision for employee benefits</b>                                        |                                 |                                 |                                 |
| Provision for gratuity (Refer Note 1(x) and 38)                               | 67.75                           | 59.22                           | 10.42                           |
| Provision for compensated absences (Refer Note 1(x))                          | 80.85                           | 69.13                           | 43.28                           |
|                                                                               | <b>148.60</b>                   | <b>128.35</b>                   | <b>53.70</b>                    |
| <b>NOTE 27 : CURRENT TAX PAYABLE</b>                                          |                                 |                                 |                                 |
| Provision for taxation (net off advance tax ₹ Nil<br>(Previous Year : ₹ Nil)) | 19.76                           | —                               | —                               |
|                                                                               | <b>19.76</b>                    | <b>—</b>                        | <b>—</b>                        |



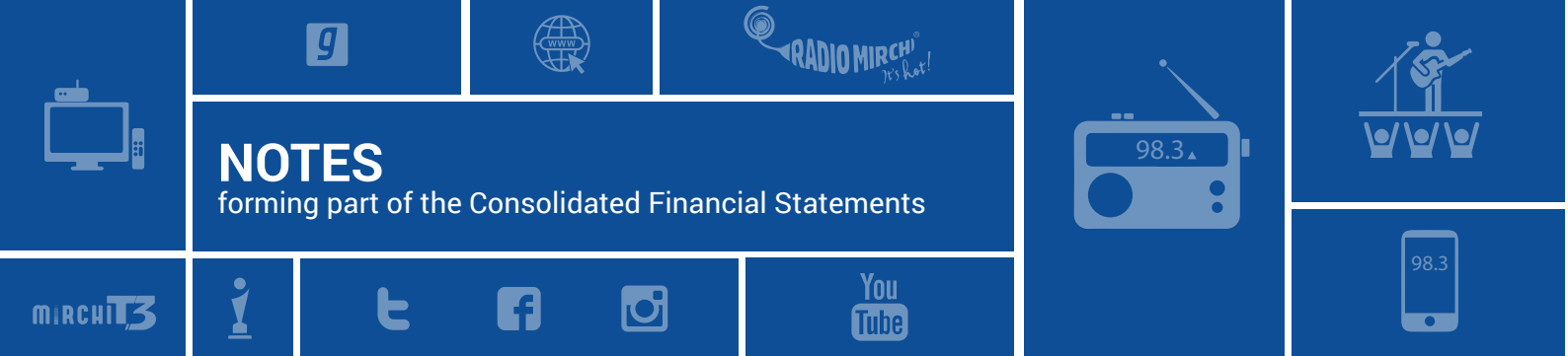
# NOTES

forming part of the Consolidated Financial Statements



(₹ in lakhs)

|                                                                      | 2016-17          | 2015-16          |
|----------------------------------------------------------------------|------------------|------------------|
| <b>NOTE 28 : REVENUE FROM OPERATIONS AND OTHER OPERATING INCOME</b>  |                  |                  |
| Sale of services (Refer Note 1(ii))                                  | 54,085.23        | 48,478.17        |
| Digital revenues, service fee, marketing & sales commission          | 861.23           | 736.17           |
|                                                                      | <b>54,946.46</b> | <b>49,214.34</b> |
| Other operating income                                               |                  |                  |
| Provision no longer required written back                            | 614.83           | 1,523.74         |
| Others                                                               | 91.30            | 123.25           |
|                                                                      | <b>706.13</b>    | <b>1,646.99</b>  |
| <b>NOTE 29 : OTHER INCOME</b>                                        |                  |                  |
| Interest income (Refer Note 1(ix))                                   |                  |                  |
| On fixed deposits                                                    | 2.29             | 39.88            |
| On fair valuation of deposits                                        | 11.20            | 1.08             |
| On others                                                            | 3.94             | 4.21             |
| Dividend income on current investments (Refer Note 1(ix))            | —                | 477.06           |
| Profit on sale of non-current investments (net) (Refer Note 1(ix))   | —                | 0.52             |
| Profit on sale of current investments (net) (Refer Note 1(ix))       | 1,355.05         | 1,906.85         |
| Gain on fair valuation of investments                                | 610.36           | 979.78           |
| Rent income                                                          | 42.56            | 79.49            |
| Miscellaneous income                                                 | 2.11             | 3.81             |
|                                                                      | <b>2,027.51</b>  | <b>3,492.68</b>  |
| <b>NOTE 30 : EMPLOYEE BENEFITS EXPENSE</b>                           |                  |                  |
| Salaries, wages and bonus                                            | 9,655.69         | 8,541.23         |
| Contributions to provident and other funds (Refer Notes 1(x) and 38) | 327.72           | 271.66           |
| Gratuity (Refer Note 1(x) and 38)                                    | 124.94           | 197.93           |
| Staff welfare expenses                                               | 429.17           | 372.98           |
|                                                                      | <b>10,537.52</b> | <b>9,383.80</b>  |
| <b>NOTE 31 : FINANCE COST</b>                                        |                  |                  |
| Interest Expense                                                     |                  |                  |
| On Commercial Papers                                                 | 1,356.14         | 3.23             |
| On others                                                            | 2.63             | 0.36             |
|                                                                      | <b>1,358.77</b>  | <b>3.59</b>      |
| <b>NOTE 32 : DEPRECIATION &amp; AMORTISATION</b>                     |                  |                  |
| Depreciation (Refer Note 1(iv))                                      | 1,336.72         | 1,027.83         |
| Amortisation (Refer Note 1(v))                                       | 4,023.74         | 2,578.90         |
|                                                                      | <b>5,360.46</b>  | <b>3,606.73</b>  |



|                                                                                | (₹ in lakhs)     |                  |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | 2016-17          | 2015-16          |
| <b>NOTE 33 : OPERATING AND OTHER EXPENSES</b>                                  |                  |                  |
| Royalty                                                                        | 1,949.67         | 1,400.45         |
| Programming expenses                                                           | 597.64           | 385.27           |
| Technical costs                                                                | 121.33           | 85.03            |
| License fees (Refer Note 1(xix))                                               | 3,336.62         | 2,618.58         |
| Rent                                                                           | 2,660.95         | 1,931.45         |
| Rates and taxes                                                                | 125.42           | 67.35            |
| Power and fuel                                                                 | 1,274.33         | 1,155.16         |
| Marketing                                                                      | 12,941.70        | 9,974.17         |
| Cost of Sales                                                                  | 3,093.07         | 2,552.44         |
| Travelling and conveyance                                                      | 1,347.63         | 1,160.72         |
| Insurance                                                                      | 74.77            | 83.81            |
| Communication                                                                  | 162.43           | 131.91           |
| <b>Repairs and maintenance on :</b>                                            |                  |                  |
| Buildings                                                                      | 27.14            | 24.25            |
| Plant and machinery                                                            | 875.82           | 782.02           |
| Others                                                                         | 405.16           | 327.96           |
| Legal and professional fees                                                    | 1,185.61         | 1,289.78         |
| Software expenses (Refer Note 1(v)(c))                                         | 360.14           | 286.71           |
| <b>Payment to auditors</b>                                                     |                  |                  |
| As Auditors:                                                                   |                  |                  |
| Audit fee                                                                      | 37.34            | 37.31            |
| Other services                                                                 | 3.02             | 3.51             |
| Reimbursement of expenses                                                      | 2.61             | 1.95             |
|                                                                                | 42.97            | 42.77            |
| Bad debts written off                                                          | 178.11           | 199.28           |
| Provision for doubtful debts                                                   | 808.17           | 671.65           |
| Provision for doubtful debts withdrawn                                         | (120.82)         | (479.33)         |
|                                                                                | 687.35           | 192.32           |
| Tangible assets written off                                                    | 26.32            | 32.60            |
| Directors' sitting fees and commission                                         | 38.09            | 27.90            |
| Expenditure towards Corporate Social Responsibility Activities (Refer Note 43) | 233.05           | 200.84           |
| Miscellaneous expenses                                                         | 781.86           | 679.46           |
|                                                                                | <b>32,527.18</b> | <b>25,632.23</b> |



# NOTES

forming part of the Consolidated Financial Statements



## 34. INCOME TAX EXPENSE

- a. The major components of income tax expense for the years ended March 31, 2017 and March 31 2016 are:

| (₹ in lakhs)                                              |                 |                 |
|-----------------------------------------------------------|-----------------|-----------------|
| Particulars                                               | March 31, 2017  | March 31, 2016  |
| <b>Income tax expense</b>                                 |                 |                 |
| Current tax                                               | 1,982.76        | 3,088.93        |
| <b>Deferred tax</b>                                       |                 |                 |
| Decrease / (increase) in deferred tax assets              | (1,480.46)      | 78.51           |
| Unused tax credits                                        | (1,722.33)      | (537.93)        |
| (Decrease) / increase in deferred tax liabilities         | 3,571.09        | 2,256.83        |
| <b>Total deferred tax expense</b>                         | <b>367.80</b>   | <b>1,797.41</b> |
| Current / Deferred Tax of earlier years                   | 2.84            | (0.27)          |
| <b>Income tax expense</b>                                 | <b>2,353.40</b> | <b>4,886.07</b> |
| <b>Out of above Recognised in:</b>                        |                 |                 |
| <b>Statement of profit and loss as total tax expenses</b> | <b>2,379.21</b> | <b>4,875.41</b> |
| <b>Other Comprehensive Income</b>                         | <b>(25.81)</b>  | <b>10.66</b>    |

- b. Reconciliation of income tax expenses and the accounting profit multiplied by tax rate for the year ended:

| (₹ in lakhs)                                                  |                 |                 |
|---------------------------------------------------------------|-----------------|-----------------|
| Particulars                                                   | March 31, 2017  | March 31, 2016  |
| Profit before taxation                                        | 7,896.17        | 15,727.66       |
| Tax at the maximum tax rate of 34.61%                         | 2,732.71        | 5,443.03        |
| <b>Tax effect of Non-deductible expenses for tax purposes</b> |                 |                 |
| Tax saving due to Capital Gains                               | (368.73)        | (436.73)        |
| Dividend income received                                      | —               | (165.10)        |
| Disallowances                                                 | 40.33           | 34.47           |
| Changes in rates                                              | (1.88)          | —               |
| Tax on Other Comprehensive Income                             | (25.81)         | 10.66           |
| Others                                                        | (23.22)         | (0.26)          |
| <b>Tax expenses as per profit and loss account</b>            | <b>2,353.40</b> | <b>4,886.07</b> |

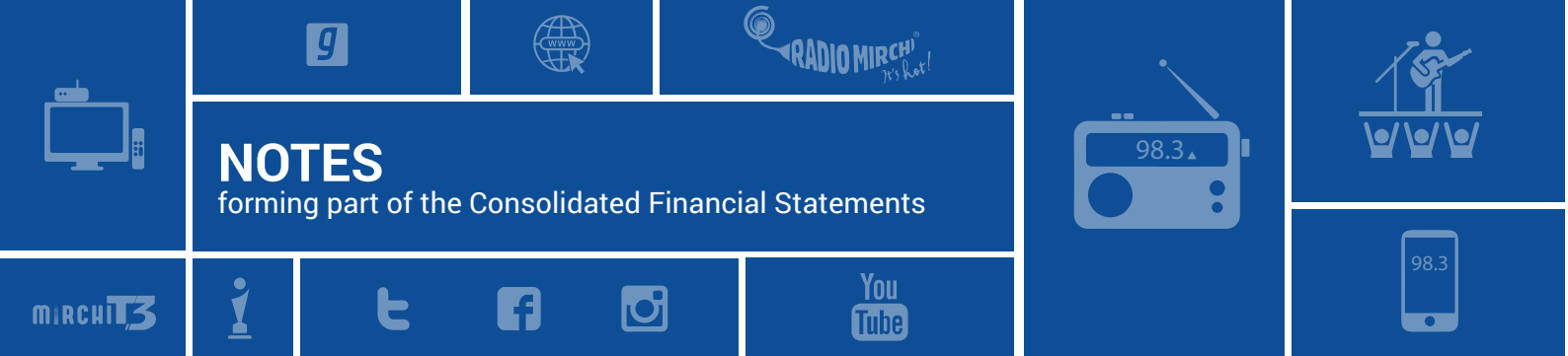
## 35. COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

Estimated amount of capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

| (₹ in lakhs)                  |                 |               |
|-------------------------------|-----------------|---------------|
| Particulars                   | 2016-17         | 2015-16       |
| Property, Plant and Equipment | 1,168.56        | 310.31        |
| <b>Total</b>                  | <b>1,168.56</b> | <b>310.31</b> |

## 36. TRADE PAYABLES

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.



# NOTES

forming part of the Consolidated Financial Statements

## 37. DIVIDEND

| Particulars                                               | (₹ in lakhs)            |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|
|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Dividend proposed for the year is as follows:             |                         |                         |
| On equity shares of ₹ 10 each Amount of dividend proposed | 476.70                  | 476.70                  |
| Dividend per equity share (in ₹)                          | 1.00                    | 1.00                    |

Subsequent to the year end the Board of directors recommended a final dividend of ₹ 1 per fully paid ordinary share for the year ended March 31, 2017.

## 38. The Company has classified the various employee benefits provided to employees as under :

### I) Defined Contribution Plans

- Provident Fund
- Employee's Pension Scheme
- Employee State Insurance Scheme
- National Pension Scheme

During the year, the Group has recognised the following amounts in the statement of profit and loss: -

| Particulars                                                   | (₹ in lakhs) |           |
|---------------------------------------------------------------|--------------|-----------|
|                                                               | 2016-2017    | 2015-2016 |
| – Employers' Contribution to Provident Fund*                  | 202.23       | 169.26    |
| – Employers' Contribution to Employee's Pension Scheme 1995*  | 113.48       | 89.70     |
| – Employers' Contribution to Employee State Insurance Scheme* | 1.67         | 1.47      |
| – Employers' Contribution to National Pension Scheme*         | 10.34        | 11.22     |

\* Included in Contributions to Provident and Other Funds (Refer Note 30)

### II) Defined Benefit Plans

Post-employment obligations

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 liability in respect of gratuity is uncapped and is not restricted to ₹ 10 lakhs.

In accordance with Ind AS 19, actuarial valuation was done in respect of the aforesaid Defined Benefit Plan of gratuity (unfunded) based on the following assumptions:-

| Particulars                             |                         |                         |
|-----------------------------------------|-------------------------|-------------------------|
|                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Discount Rate (per annum)               | 6.81%                   | 7.84%                   |
| Rate of increase in Compensation levels | 8.00%                   | 8.00%                   |



# NOTES

forming part of the Consolidated Financial Statements



## A) Changes in the Present Value of Obligation

(₹ in lakhs)

| Particulars                                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Obligation at the beginning of the year | 629.30                  | 498.15                  |
| Interest Cost                                            | 49.34                   | 40.00                   |
| Past Service Cost                                        | —                       | 77.78                   |
| Current Service Cost                                     | 75.61                   | 80.15                   |
| Benefits Paid                                            | (55.08)                 | (41.01)                 |
| Actuarial (Gain) / Loss on obligations                   | 74.57                   | (30.79)                 |
| Effect of Transfer In / (Transfer Out)                   | 2.14                    | 5.02                    |
| <b>Present Value of Obligation as at the year end</b>    | <b>775.88</b>           | <b>629.30</b>           |

## B) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Funded Obligation as at the year end   | —                       | —                       |
| Fair Value of Plan Assets as at the year end            | —                       | —                       |
| Funded Status                                           | —                       | —                       |
| Present Value of Unfunded Obligation as at the year end | 775.88                  | 629.30                  |
| Unrecognised Actuarial (Gains) / Losses                 | —                       | —                       |
| <b>Unfunded (Liability) recognised in Balance Sheet</b> | <b>(775.88)</b>         | <b>(629.30)</b>         |

## C) Amount recognised in the Balance Sheet

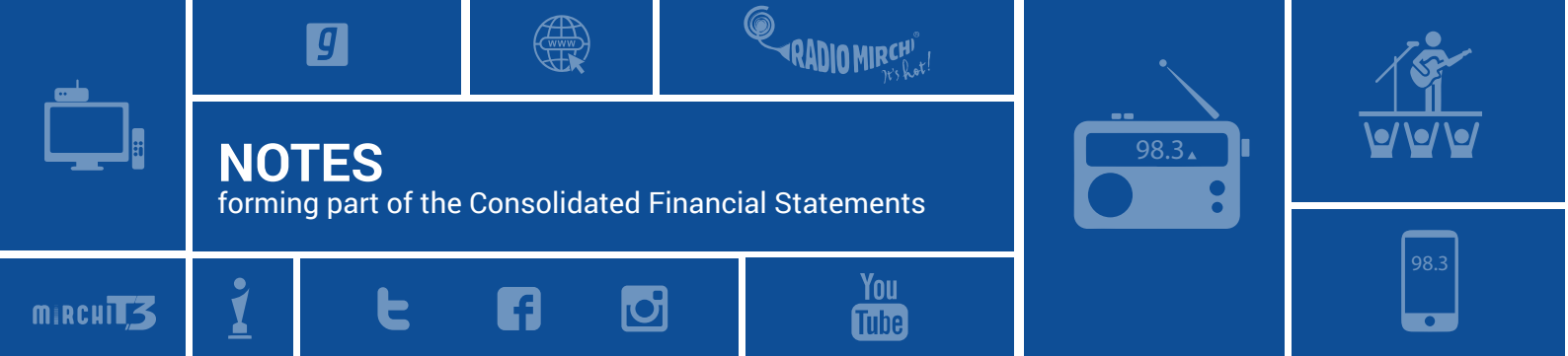
(₹ in lakhs)

| Particulars                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Present Value of Defined Benefit Obligation at the end of the year | 775.88                  | 629.30                  |
| Fair Value of Plan Assets as at the end of the year                | —                       | —                       |
| Liability recognised in the Balance Sheet                          | 775.88                  | 629.30                  |
| Recognised under:                                                  |                         |                         |
| Long term provisions                                               | 708.13                  | 570.08                  |
| Short term provisions                                              | 67.75                   | 59.22                   |

## D) Expenses recognised in the Statement of Profit and Loss

(₹ in lakhs)

| Particulars                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Current Service Cost                                                 | 75.61                   | 80.15                   |
| Past Service Cost                                                    | —                       | 77.78                   |
| Interest Cost                                                        | 49.33                   | 40.00                   |
| Total amount recognised in profit or loss                            | 124.94                  | 197.93                  |
| (Gain)/loss from change in demographic assumptions                   | —                       | (26.12)                 |
| (Gain)/loss from change in financial assumptions                     | 51.98                   | 7.87                    |
| Experience (gains)/losses                                            | 22.59                   | (12.54)                 |
| <b>Total Expenses recognized in the statement of Profit and Loss</b> | <b>199.51</b>           | <b>167.14</b>           |



# NOTES

forming part of the Consolidated Financial Statements

## E) Experience Adjustment

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Defined Benefit Obligation                              | 775.88                  | 629.30                  |
| Plan Assets                                             | —                       | —                       |
| Deficit / (Surplus)                                     | 775.88                  | 629.30                  |
| Experience Adjustment on Plan Liabilities (Gain) / Loss | 74.57                   | (30.79)                 |

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## F) Sensitivity Analysis

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

The sensitivity of the defined benefit obligation to changes in the principal assumption is:

(₹ in lakhs)

| Particulars                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Projected Benefit Obligation on Current Assumptions     | 775.88                  | 629.30                  |
| Delta Effect of +1% Change in Rate of Discounting       | (50.56)                 | (39.44)                 |
| Delta Effect of -1% Change in Rate of Discounting       | 57.47                   | 44.68                   |
| Delta Effect of +1% Change in Rate of Salary Increase   | 56.24                   | 44.17                   |
| Delta Effect of -1% Change in Rate of Salary Increase   | (50.47)                 | (39.73)                 |
| Delta Effect of +1% Change in Rate of Employee Turnover | (5.90)                  | (1.65)                  |
| Delta Effect of -1% Change in Rate of Employee Turnover | 6.46                    | 1.72                    |

## G) Maturity analysis of Projected Benefit Obligation from the employer

(₹ in lakhs)

| Particulars          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------|-------------------------|-------------------------|
| 1st Following Year   | 67.75                   | 59.22                   |
| 2nd Following Year   | 68.21                   | 59.44                   |
| 3rd Following Year   | 73.70                   | 59.42                   |
| 4th Following Year   | 66.91                   | 63.59                   |
| 5th Following Year   | 72.03                   | 57.28                   |
| Sum of Years 6 To 10 | 380.87                  | 335.71                  |

## H) Other details

Past service wise distribution of Projected benefit obligation

| Past service interval | Projected benefit obligation |
|-----------------------|------------------------------|
| 4 year and below      | 8.46%                        |
| 5 and above           | 91.54%                       |

Weighted Average Duration of the Projected Benefit Obligation as on March 31, 2017 is 8 years (March 31, 2016 8 years).



# NOTES

forming part of the Consolidated Financial Statements



## 39. Segment Information

In accordance with Ind AS-108, 'Operating Segments', the Group's business segment is Media and Entertainment and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as at and for the year ended March 31, 2017. The Group primarily caters to the domestic market and hence there are no reportable geographical segments.

## 40. Related Party Disclosures as required under Ind AS 24- 'Related Party Disclosures' are given below:

### i. Parties where control exists

Bennett, Coleman & Company Limited (BCCL) – Holding Company (Refer Note 44)

Times Infotainment Media Limited (TIML) – the erstwhile Holding Company\* (Refer Note 44)

### ii. Fellow Subsidiary Companies

Mirchi Movies Limited (MML)

Times Innovative Media Limited (TIM)

TIM Delhi Airport Advertising Private Limited (TIMDA)

Times Global Broadcasting Company Limited (TGBCL)\*

Times Internet Limited (TIL) #

Zoom Entertainment Network Limited (ZENL)\*

Gamma Gaana Limited (GGL)

Metropolitan Media Company Limited (formerly Times VPL Limited) (MMCL)

Vardhaman Publishers Limited (VPL)

Junglee Pictures Limited (JPL)

Magic Bricks Reality Services Limited (MBRSL)

Brand Equity Treaties Limited (BETL)

Worldwide Media Private Limited (WWM)

Akuate Internet Services Private Limited (AISPL)

Times Centre for Learning Limited (TCLL)\*

Times Business Solutions Limited (TBSL) #

Times Websol Limited (TWL) #\*

Times Mobile Limited (TM)

### iii. Related Parties of Ultimate Holding Company

Bennett Property Holdings Company Limited (BPHCL)

Aegon Insurance Life Company Limited (ALIC).

### iv. Key Management Personnel

#### Managing Director & Chief Executive Officer

Mr. Prashant Panday

#### Non-Executive directors

Mr. Vineet Jain

Mr. N. Kumar

Mr. Richard Saldanha

Mr. Ravindra Kulkarni

Ms. Punita Lal - from March 28, 2016

Mr. B. S. Nagesh - upto November 8, 2016

# Times Business Solutions Limited (TBSL), Times Websol Limited (TWL) and Times Mobile Limited (TM) have been merged into Times Internet Limited (TIL) in the previous year.

\* There are no transactions during the year.

v. Transactions with Related Parties

| Particulars                             | 2016-2017       |                             |        |      |       |        |     |        |       |      |     |     |       |       |       |       |                                                 | (₹ in lakhs) |
|-----------------------------------------|-----------------|-----------------------------|--------|------|-------|--------|-----|--------|-------|------|-----|-----|-------|-------|-------|-------|-------------------------------------------------|--------------|
|                                         | Holding Company | Fellow Subsidiary Companies |        |      |       |        |     |        |       |      |     |     |       |       |       |       | Related Parties of the Ultimate Holding Company |              |
|                                         |                 | BCCL                        | MML    | TIM  | TIMDA | TGBCL  | TIL | ZENL   | GGL   | MMCL | VPL | JPL | MBRSL | BETL  | WWM   | AISPL |                                                 |              |
| Transactions with Related Parties:      |                 |                             |        |      |       |        |     |        |       |      |     |     |       |       |       |       |                                                 |              |
| Sales                                   | 5,579.24        | 1.01                        | –      | –    | –     | 71.74  | –   | 226.72 | 5.71  | –    | –   | –   | 24.21 | 45.84 | 49.08 | 1.02  | –                                               | 104.55       |
| Rendering of services                   | 7.02            | –                           | 30.61  | 4.93 | –     | –      | –   | –      | –     | –    | –   | –   | –     | –     | –     | –     | –                                               | –            |
| Receiving of services                   | 630.07          | –                           | 286.42 | –    | –     | 161.04 | –   | 310.43 | 21.96 | 1.59 | –   | –   | –     | –     | 40.41 | –     | 382.50                                          | –            |
| Recovery of Expenses                    | 34.33           | –                           | 97.25  | 4.60 | –     | –      | –   | –      | –     | –    | –   | –   | –     | –     | –     | –     | –                                               | –            |
| Year end Balances with Related Parties: |                 |                             |        |      |       |        |     |        |       |      |     |     |       |       |       |       |                                                 |              |
| Trade Receivables                       | 609.37          | 1.14                        | –      | –    | –     | 6.12   | –   | –      | –     | –    | –   | –   | –     | –     | 12.39 | –     | –                                               | 52.98        |
| Non-trade Receivables (net)             | –               | –                           | –      | 1.09 | –     | –      | –   | –      | –     | –    | –   | –   | –     | –     | –     | –     | –                                               | –            |
| Deposit                                 | –               | –                           | –      | –    | –     | –      | –   | –      | –     | –    | –   | –   | –     | –     | –     | –     | 100.00                                          | –            |
| Payables (net)                          | –               | –                           | –      | –    | –     | 0.95   | –   | –      | –     | –    | –   | –   | –     | –     | –     | –     | –                                               | –            |

| Particulars                             | 2015-2016       |                             |        |      |       |        |      |       |      |      |      |     |       |      |       |       |       | (₹ in lakhs) |                                                 |
|-----------------------------------------|-----------------|-----------------------------|--------|------|-------|--------|------|-------|------|------|------|-----|-------|------|-------|-------|-------|--------------|-------------------------------------------------|
|                                         | Holding Company | Fellow Subsidiary Companies |        |      |       |        |      |       |      |      |      |     |       |      |       |       |       |              | Related Parties of the Ultimate Holding Company |
|                                         |                 | BCCL                        | MML    | TIM  | TIMDA | TGBCL  | TIL  | ZENL  | GGL  | MMCL | VPL  | JPL | MBSRL | BETL | WWM   | AISPL | TCLL  |              |                                                 |
| Transactions with Related Parties:      |                 |                             |        |      |       |        |      |       |      |      |      |     |       |      |       |       |       |              |                                                 |
| Sales                                   | 3,594.62        | –                           | –      | –    | 3.71  | 289.70 | 4.32 | 63.28 | 5.25 | –    | 6.54 | –   | –     | –    | 32.90 | 36.76 | 30.48 | –            |                                                 |
| Rendering of services                   | 3.51            | –                           | 29.72  | 4.93 | 3.51  | 37.82  | –    | –     | –    | –    | –    | –   | –     | –    | –     | –     | –     | –            |                                                 |
| Receiving of services                   | 517.14          | –                           | 64.21  | –    | –     | 167.43 | –    | –     | 7.01 | 1.59 | –    | –   | –     | –    | 33.64 | –     | –     | 399.47       |                                                 |
| Recovery of Expenses                    | 4.15            | –                           | 102.76 | 2.99 | 0.15  | 12.96  | –    | –     | –    | –    | –    | –   | –     | –    | –     | –     | –     | –            |                                                 |
| Year end Balances with Related Parties: |                 |                             |        |      |       |        |      |       |      |      |      |     |       |      |       |       |       |              |                                                 |
| Trade Receivables                       | 1,152.49        | –                           | –      | –    | –     | 3.74   | –    | 1.79  | 5.88 | –    | –    | –   | –     | –    | 84.33 | 42.09 | –     | –            |                                                 |
| Non-trade Receivables (net)             | –               | –                           | –      | 0.30 | –     | –      | –    | –     | –    | –    | –    | –   | –     | –    | –     | –     | –     | –            |                                                 |
| Deposit                                 | –               | –                           | –      | –    | –     | –      | –    | –     | –    | –    | –    | –   | –     | –    | –     | –     | –     | 100.00       |                                                 |
| Payables (net)                          | 1.52            | –                           | –      | –    | –     | 71.20  | –    | –     | 9.24 | –    | –    | –   | –     | –    | 75.84 | –     | –     | 20.19        |                                                 |



# NOTES

forming part of the Consolidated Financial Statements



## vi. Details relating to Persons referred to in 40(iv) above

### I. Mr Prashant Panday

(₹ in lakhs)

| Particulars                        | 2016-17       | 2015-2016     |
|------------------------------------|---------------|---------------|
| Short-term employee benefits       | 334.46        | 370.29        |
| Post Employment Benefit Obligation | 9.34          | 38.36         |
| Other Long Term Benefit Obligation | 0.80          | 0.45          |
| <b>Total Compensation</b>          | <b>344.60</b> | <b>409.10</b> |

### II. Non-executive directors

(₹ in lakhs)

| Particulars               | 2016-17      | 2015-2016    |
|---------------------------|--------------|--------------|
| Director sitting fees     | 38.09        | 27.90        |
| <b>Total Compensation</b> | <b>38.09</b> | <b>27.90</b> |

Note:

The short term employee benefits to the key management personnel above includes one-time payment of ₹ Nil (Previous year: ₹ 62.35 lakhs).

#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables and payables for the year ended March 31, 2017 and for the year ended March 31, 2016.

## 41. Disclosures for Operating Leases

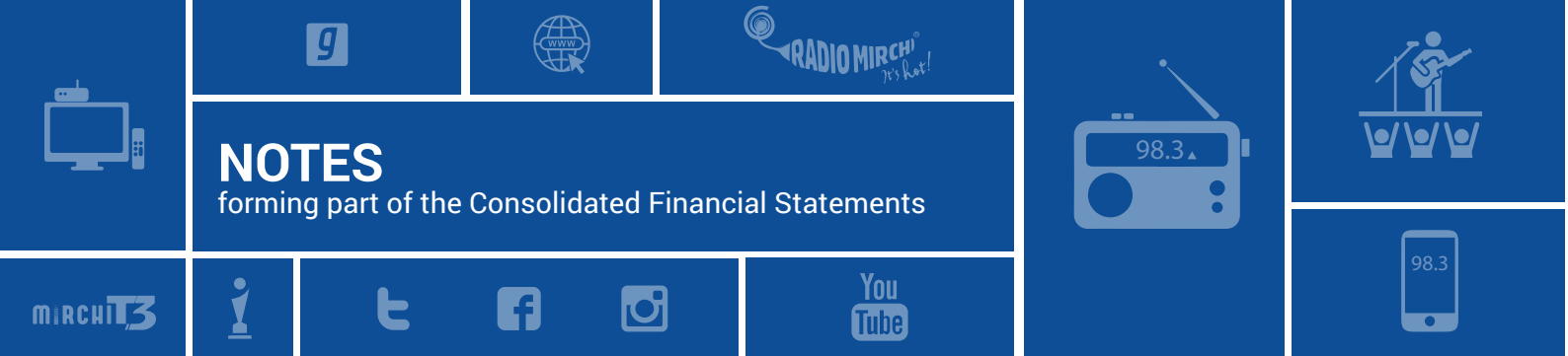
Disclosures in respect of cancellable agreements for cars, transmission towers, office and residential premises taken on lease:

- Lease payments recognised in the statement of profit and loss ₹ 2,660.95 lakhs (Previous Year: ₹ 1,930.28 lakhs).
- Of the total leases, twelve lease licenses have a lock in period ranging from two years to five years. All the other agreements are cancellable at the option of the Company.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in lakhs)

| Particulars                                 | March 31, 2017  | March 31, 2016 |
|---------------------------------------------|-----------------|----------------|
| Within one year                             | 503.92          | 230.21         |
| After one year but not more than five years | 714.87          | 438.01         |
| More than five years                        | Nil             | Nil            |
| <b>Total</b>                                | <b>1,218.79</b> | <b>668.22</b>  |



## NOTES

forming part of the Consolidated Financial Statements

### 42. Earnings Per Share (Basic and Diluted)

The number of shares used in computing basic Earnings Per Share (EPS) is the weighted average number of shares outstanding during the year.

| Particulars                                        | 2016-17    | 2015-2016  |
|----------------------------------------------------|------------|------------|
| Profit for the year (₹ in lakhs) (A)               | 5,516.96   | 10,852.25  |
| Weighted average number of Equity shares (B) (Nos) | 47,670,415 | 47,670,415 |
| Earnings per share – basic and diluted (₹) (A/B)   | 11.57      | 22.77      |
| Nominal value of an equity share (₹)               | 10.00      | 10.00      |

43. Gross amount required to be spent by the Company during the year for Corporate Social Responsibility (CSR) activities was ₹ 233.05 lakhs (Previous year: ₹ 200.73 lakhs). Amount spent during the year by the Company is as follows:

|                                          | (₹ in lakhs) |           |
|------------------------------------------|--------------|-----------|
| Particulars                              | 2016-17      | 2015-2016 |
| (i) Construction/acquisition of an asset | —            | —         |
| (ii) On purposes other than (i) above    | 233.05       | 200.84    |

44. The Scheme of Amalgamation and Arrangement ('Scheme') of TIML (the erstwhile holding company of the Company) with BCCL (the holding Company of TIML) was filed under the Companies Act, 1956 was approved by Hon'ble Bombay High Court on July 3, 2015 and by the MIB on April 25, 2016. Consequently, TIML's entire shareholding in the Company was transferred to BCCL, and BCCL is the sole promoter shareholder of the Company. The appointed date of the Scheme was April 1, 2013.

45. In February 2015, the Company had entered into a non-binding memorandum of understanding with TV Today Network Limited ('TVTN') for purchase of seven radio stations from TVTN. On July 22, 2015 the Company received the approval from the Ministry of Information and Broadcasting ('MIB'), Government of India to purchase TVTN's four radio stations in Amritsar, Jodhpur, Patiala and Shimla. As regards the remaining three stations viz. Mumbai, Delhi and Kolkata, the MIB declined to grant its approval. The Company and TVTN have appealed against the MIB decision before the Hon'ble Delhi High Court. The next court hearing in respect of the appeal is scheduled for May 25, 2017. All the fixed assets acquired from TVTN were stated at fair value as on the date of acquisition.

The assets and liabilities recognized because of the acquisition are as follows:

|                                            | (₹ in lakhs)  |
|--------------------------------------------|---------------|
| Particulars                                | Fair value    |
| Leasehold Improvement                      | 29.12         |
| Furniture                                  | 0.48          |
| Office Equipments                          | 1.48          |
| Plant and Machinery                        | 119.32        |
| Computers                                  | 3.37          |
| Non Refundable One Time Migration Fees     | 246.23        |
| <b>Net identifiable assets acquired</b>    | <b>400.00</b> |
| Purchase consideration transferred in cash | 400.00        |

### 46. Pending litigations and claims:

- a. The Company is involved in various litigations the outcome of which are considered probable and in respect of which the Company has aggregate provisions of ₹ 1,612.47 lakhs (Previous year: ₹ 1,031.38 lakhs) as at March 31, 2017.



# NOTES

forming part of the Consolidated Financial Statements



## b. Contingent liability-taxation

The Company is contesting certain disallowances to the taxable income and demands raised by the Income-tax authorities, the estimated tax liability of which is ₹ 128.35 lakhs (Previous year: ₹ 118.73 lakhs). The management does not expect the liability from these claims to crystallize and accordingly, no provision has been recognized in the financial statements for the same.

## 47. Capital Management

The Group's objective is to maintain a strong capital base to ensure a sustainable future growth, maintain a strong credit rating and provide adequate returns to the shareholders. The Funding requirement of the Group are not large and are generally met through internal accruals and short term borrowings. The Group monitors capital using a capital gearing ratio. Capital gearing ratio is computed as net debt divided by the aggregate of shareholders' funds and net debt.

The net debt of the Group was Nil as on March 31, 2017, March 31, 2016 and April 1, 2015.

## 48. Financial risk management

The Company's activities expose it to a variety of market risks, liquidity risks and credit risks. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

### a. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in debt mutual funds and deposits with banks.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company undertakes a detailed review of the credit worthiness of clients before extending credit. Outstanding customer receivables are regularly monitored. The Company believes the concentration of risk with respect to trade receivables as low, as its customers are in several jurisdictions and industries and operate in largely independent markets. Management monitors the Company's net liquidity position through rolling forecasts based on expected cash flows.

The Company uses expected credit loss model as per adoption of Ind AS 109 – 'Financial Instruments' to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers.

### b. Liquidity Risk

Liquidity risk is defined as a risk that the Company will not be able to settle or meet its obligations on time. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has short term borrowings in the form of commercial papers. The Company believes that the same can be paid out of from internal accruals and mutual fund investments. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

At the end of the reporting period the Group held Mutual fund investments of ₹ 11,688.88 lakhs (March 31, 2016 : ₹ 23,604.28 lakhs, April 1, 2015 : ₹ 58,078.47 lakhs) that are expected to readily generate cash inflows for managing liquidity risk.

# NOTES

forming part of the Consolidated Financial Statements

## Maturities of financial liabilities

The tables below analyze the Group's Financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in lakhs)

| Contractual maturities of financial liabilities | March 31, 2017     |                    | March 31, 2016     |                    | April 1, 2015      |                    |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                 | Less than 6 months | 6 months to 1 year | Less than 6 months | 6 months to 1 year | Less than 6 months | 6 months to 1 year |
| Borrowings                                      | —                  | 13,000.00          | —                  | 27,000.00          | —                  | —                  |
| Trade payables                                  | 11,163.09          | —                  | 8,000.06           | —                  | 7,409.04           | —                  |
| Other financial liabilities                     | 23.41              | —                  | 30.40              | —                  | 8.19               | —                  |

### c. Foreign Currency risk

Foreign currency risk arises due to the fluctuations in foreign currency exchange rates. The Company does not have any material transactions in foreign currencies. Accordingly, its exposure to the foreign currency risk is limited.

### d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortized 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.

### e. Price risk

The Group's exposure to mutual fund securities arises from investments held by the Group and classified in the balance sheet either as at fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the framework and policies set by the Board of Directors.

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

The following methods and assumptions were used to estimate the fair vales:

- Fair value of cash and cash equivalents, trade and other current financial assets, trade & other payables and short term borrowings approximate their carrying amounts due to the short maturities of these instruments.
- The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



# NOTES

forming part of the Consolidated Financial Statements



## ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

### 49. FAIR VALUE MEASUREMENT

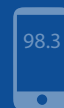
#### Financial instruments by category

(₹ in lakhs)

| Particulars                                                  | March 31, 2017   |                  |          |          |
|--------------------------------------------------------------|------------------|------------------|----------|----------|
|                                                              | Carrying amount  | Fair Value       |          |          |
|                                                              |                  | Level 1          | Level 2  | Level 3  |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |          |
| Loans-Deposit non current                                    | 1,879.77         | —                | —        | —        |
| Employee loans non current                                   | 2.00             | —                | —        | —        |
| Trade receivables                                            | 16,215.44        | —                | —        | —        |
| Cash and cash equivalents                                    | 1,857.28         | —                | —        | —        |
| Other bank balances                                          | 4.93             | —                | —        | —        |
| Deposit current                                              | 109.50           | —                | —        | —        |
| Other current financial assets                               | 201.12           | —                | —        | —        |
| <b>Total</b>                                                 | <b>20,270.05</b> | <b>—</b>         | <b>—</b> | <b>—</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |          |
| Long term investments in mutual funds                        | 934.44           | 934.44           | —        | —        |
| Short term investments in mutual funds                       | 10,754.44        | 10,754.44        | —        | —        |
| <b>Total</b>                                                 | <b>11,688.88</b> | <b>11,688.88</b> | <b>—</b> | <b>—</b> |
| <b>Total financial assets</b>                                | <b>31,958.92</b> | <b>11,688.88</b> | <b>—</b> | <b>—</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |          |
| Borrowings                                                   | 12,319.09        | 12,319.09        | —        | —        |
| Trade payables                                               | 11,163.09        | —                | —        | —        |
| Unpaid dividend                                              | 0.65             | —                | —        | —        |
| Security deposits payable current                            | 22.76            | —                | —        | —        |
| <b>Total financial liabilities</b>                           | <b>23,505.59</b> | <b>12,319.09</b> | <b>—</b> | <b>—</b> |

(₹ in lakhs)

| Particulars                                                  | March 31, 2016   |                  |          |          |
|--------------------------------------------------------------|------------------|------------------|----------|----------|
|                                                              | Carrying amount  | Fair Value       |          |          |
|                                                              |                  | Level 1          | Level 2  | Level 3  |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |          |
| Loans-Deposit non current                                    | 1,770.55         | —                | —        | —        |
| Employee loans non current                                   | 3.00             | —                | —        | —        |
| Trade receivables                                            | 14,029.70        | —                | —        | —        |
| Cash and cash equivalents                                    | 1,618.28         | —                | —        | —        |
| Other bank balances                                          | 363.17           | —                | —        | —        |
| Deposits                                                     | 32.85            | —                | —        | —        |
| Other current financial assets                               | 3.64             | —                | —        | —        |
| <b>Total</b>                                                 | <b>17,821.19</b> | <b>—</b>         | <b>—</b> | <b>—</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |          |
| Long term investments in mutual funds                        | 4,960.21         | 4,960.21         | —        | —        |
| Short term investments in mutual funds                       | 18,644.07        | 18,644.07        | —        | —        |
| <b>Total</b>                                                 | <b>23,604.28</b> | <b>23,604.28</b> | <b>—</b> | <b>—</b> |
| <b>Total financial assets</b>                                | <b>41,425.47</b> | <b>23,604.28</b> | <b>—</b> | <b>—</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |          |
| Borrowings                                                   | 25,008.45        | 25,008.45        | —        | —        |
| Trade payables                                               | 8,000.06         | —                | —        | —        |
| Unpaid dividend                                              | 0.52             | —                | —        | —        |
| Security deposits payable current                            | 29.88            | —                | —        | —        |
| <b>Total financial liabilities</b>                           | <b>33,038.91</b> | <b>25,008.45</b> | <b>—</b> | <b>—</b> |



# NOTES

forming part of the Consolidated Financial Statements

MIRCHI 3



(₹ in lakhs)

| Particulars                                                  | April 1, 2015    |                  |          |          |
|--------------------------------------------------------------|------------------|------------------|----------|----------|
|                                                              | Carrying amount  | Fair Value       |          |          |
|                                                              |                  | Level 1          | Level 2  | Level 3  |
| <b>Financial assets at amortised cost</b>                    |                  |                  |          |          |
| Loans-Deposit non current                                    | 1,113.32         | —                | —        | —        |
| Employee loans non current                                   | 1.00             | —                | —        | —        |
| Other non current financial assets                           | 653.21           | —                | —        | —        |
| Trade receivables                                            | 12,485.99        | —                | —        | —        |
| Cash and cash equivalents                                    | 1,427.81         | —                | —        | —        |
| Other bank balances                                          | 0.41             | —                | —        | —        |
| Deposits                                                     | 3.96             | —                | —        | —        |
| Others                                                       | 22.84            | —                | —        | —        |
| <b>Total</b>                                                 | <b>15,708.54</b> | <b>—</b>         | <b>—</b> | <b>—</b> |
| <b>Financial assets at fair value through profit or loss</b> |                  |                  |          |          |
| Long term investments in mutual funds                        | 15,790.02        | 15,790.02        | —        | —        |
| Short term investments in mutual funds                       | 42,288.45        | 42,288.45        | —        | —        |
| <b>Total</b>                                                 | <b>58,078.47</b> | <b>58,078.47</b> | <b>—</b> | <b>—</b> |
| <b>Total financial assets</b>                                | <b>73,787.01</b> | <b>58,078.47</b> | <b>—</b> | <b>—</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |          |          |
| Security deposits payable non current                        | 29.88            | —                | —        | —        |
| Trade payables                                               | 7,409.04         | —                | —        | —        |
| Unpaid dividend                                              | 0.41             | —                | —        | —        |
| Security deposits payable current                            | 7.78             | —                | —        | —        |
| <b>Total financial liabilities</b>                           | <b>7,447.11</b>  | <b>—</b>         | <b>—</b> | <b>—</b> |

During the reporting period ending March 31, 2017 and March 31, 2016, there were no transfers between level 1 and level 3 fair value instruments.

## Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value:

| Particulars            | March 31, 2017                                                                                                            | March 31, 2016 | April 1, 2015 |
|------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Deposits - non current | Security Deposits given for operating leases having a lock-in period are discounted at the borrowing cost of the Company. |                |               |



# NOTES

forming part of the Consolidated Financial Statements



## 50. First-time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS. Beginning April 1, 2016, the Group has adopted applicable Ind AS standards and the adoptions were carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The 'Transition Date' is April 1, 2015. The transition was carried out from Accounting Standards as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information.

This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

### Exemptions and exceptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

#### 1. Ind AS optional exemptions

##### a. Business combinations

The Group elected to apply Ind AS 103 prospectively to business combinations that occurred on or after the Transition Date.

##### b. Deemed cost

The Group elected to continue with the carrying value measured as per the Previous GAAP for all its Property, Plant and Equipment, Intangible Assets and Investment Properties. The carrying value was used as deemed cost as at the Transition Date.

#### 2. Ind AS mandatory exceptions

##### i. Estimates

The estimates as at the Transition Date and as at March 31, 2016 are consistent with the estimates as at the same date made in conformity with the Previous GAAP. Additionally the Group made estimates for impairment of financial assets by applying expected credit loss model as at the Transition Date and as at March 31, 2016.

##### ii. Classification and measurement of financial assets

The Group designated its all investments in debt mutual funds at fair value through profit and loss as at the Transition Date.

### Reconciliations between Previous GAAP and Ind AS

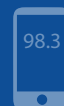
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.



# NOTES

forming part of the Consolidated Financial Statements

MIRCHI3



## Reconciliation of equity as previously reported under Previous GAAP to Ind AS

(₹ in lakhs)

| Particulars                    | Notes | Opening Balance Sheet<br>as at April 1, 2015 |                                       |                   | Balance Sheet<br>as at March 31, 2016 |                                       |                   |
|--------------------------------|-------|----------------------------------------------|---------------------------------------|-------------------|---------------------------------------|---------------------------------------|-------------------|
|                                |       | Previous<br>GAAP<br>figures                  | Effects of<br>transition<br>to Ind-AS | IND AS<br>balance | Previous<br>GAAP<br>figures           | Effects of<br>transition<br>to Ind-AS | IND AS<br>balance |
| ASSETS                         |       |                                              |                                       |                   |                                       |                                       |                   |
| Non-current assets             |       |                                              |                                       |                   |                                       |                                       |                   |
| Property, plant and equipment  |       | 2,631.61                                     | —                                     | 2,631.61          | 2,204.53                              | —                                     | 2,204.53          |
| Capital work-in-progress       | V     | —                                            | —                                     | —                 | 35,676.21                             | (12.52)                               | 35,663.69         |
| Investment properties          | I     | —                                            | 101.86                                | 101.86            | —                                     | 103.04                                | 103.04            |
| Goodwill                       | II    | —                                            | 46.27                                 | 46.27             | —                                     | 46.27                                 | 46.27             |
| Other intangible assets        |       | 2,717.74                                     | (46.27)                               | 2,671.47          | 34,904.78                             | (25.69)                               | 34,879.09         |
| Financial Assets               |       |                                              |                                       |                   |                                       |                                       |                   |
| Investments                    | III   | 13,919.81                                    | 1,870.21                              | 15,790.02         | 4,245.52                              | 714.69                                | 4,960.21          |
| Loans                          | VIII  | 1,114.32                                     | —                                     | 1,114.32          | 1,797.70                              | (24.16)                               | 1,773.55          |
| Others                         |       | 653.20                                       | —                                     | 653.20            | —                                     | —                                     | —                 |
| Deferred tax assets (net)      | IX    | 1,686.76                                     | (497.60)                              | 1,189.16          | —                                     | —                                     | —                 |
| Other non-current assets       |       | 89.42                                        | (28.01)                               | 61.41             | 2,679.00                              | (565.46)                              | 2,113.54          |
| Total Non Current assets       |       | 22,812.86                                    | 1,446.46                              | 24,259.32         | 81,507.74                             | 236.17                                | 81,743.92         |
| Current assets                 |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial Assets               |       |                                              |                                       |                   |                                       |                                       |                   |
| Investments                    | III   | 41,073.25                                    | 1,215.20                              | 42,288.45         | 15,294.74                             | 3,349.32                              | 18,644.07         |
| Trade receivables              | IV    | 12,643.54                                    | (157.55)                              | 12,485.99         | 14,245.12                             | (215.42)                              | 14,029.70         |
| Cash and cash equivalents      |       | 1,427.81                                     | —                                     | 1,427.81          | 1,618.28                              | —                                     | 1,618.28          |
| Other bank balances            |       | 0.41                                         | —                                     | 0.41              | 363.17                                | —                                     | 363.17            |
| Others                         |       | 26.80                                        | —                                     | 26.80             | 36.49                                 | —                                     | 36.49             |
| Other current assets           | VIII  | 960.71                                       | —                                     | 960.71            | 1,729.07                              | 24.07                                 | 1,753.11          |
| Total Current assets           |       | 56,132.52                                    | 1,057.65                              | 57,190.17         | 33,286.87                             | 3,157.97                              | 36,444.82         |
| TOTAL ASSETS                   |       | 78,945.38                                    | 2,504.11                              | 81,449.49         | 114,794.61                            | 3,394.14                              | 118,188.74        |
| EQUITY AND LIABILITIES         |       |                                              |                                       |                   |                                       |                                       |                   |
| Equity                         |       |                                              |                                       |                   |                                       |                                       |                   |
| Equity share capital           |       | 4,767.04                                     | —                                     | 4,767.04          | 4,767.04                              | —                                     | 4,767.04          |
| Other equity                   |       | 62,699.40                                    | 3,077.86                              | 65,777.26         | 72,124.51                             | 3,951.38                              | 76,075.89         |
| Total Equity                   |       | 67,466.44                                    | 3,077.86                              | 70,544.30         | 76,891.55                             | 3,951.38                              | 80,842.93         |
| Liabilities                    |       |                                              |                                       |                   |                                       |                                       |                   |
| Non-current liabilities        |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial liabilities          |       |                                              |                                       |                   |                                       |                                       |                   |
| Others                         |       | 29.88                                        | —                                     | 29.88             | —                                     | —                                     | —                 |
| Employee benefit obligations   |       | 681.15                                       | —                                     | 681.15            | 723.54                                | —                                     | 723.54            |
| Deferred tax liabilities (net) | IX    | —                                            | —                                     | —                 | 554.55                                | 29.57                                 | 584.11            |
| Total Non current liabilities  |       | 711.03                                       | —                                     | 711.03            | 1,278.09                              | 29.57                                 | 1,307.65          |
| Current liabilities            |       |                                              |                                       |                   |                                       |                                       |                   |
| Financial liabilities          |       |                                              |                                       |                   |                                       |                                       |                   |
| Short-term borrowings          | V     | —                                            | —                                     | —                 | 25,021.51                             | (13.06)                               | 25,008.45         |
| Trade payables                 |       | 7,409.04                                     | —                                     | 7,409.04          | 8,000.06                              | —                                     | 8,000.06          |
| Others                         |       | 8.19                                         | —                                     | 8.19              | 30.40                                 | —                                     | 30.40             |
| Other current liabilities      |       | 2,723.23                                     | —                                     | 2,723.23          | 2,870.90                              | —                                     | 2,870.90          |
| Employee benefit obligations   |       | 53.70                                        | —                                     | 53.70             | 128.35                                | —                                     | 128.35            |
| Proposed dividend              | VI    | 573.75                                       | (573.75)                              | —                 | 573.75                                | (573.75)                              | —                 |
| Total Current liabilities      |       | 10,767.91                                    | (573.75)                              | 10,194.16         | 36,624.97                             | (586.81)                              | 36,038.16         |
| TOTAL EQUITY AND LIABILITIES   |       | 78,945.38                                    | 2,504.11                              | 81,449.49         | 114,794.61                            | 3,394.14                              | 118,188.74        |

The Previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note

## NOTES

forming part of the Consolidated Financial Statements



## Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ in lakhs)

| Particulars                                                                             | Notes | Previous GAAP Figures | Effects of transition to Ind-AS | IND AS Balance   |
|-----------------------------------------------------------------------------------------|-------|-----------------------|---------------------------------|------------------|
| Revenue from operations                                                                 |       | 49,214.34             | –                               | 49,214.34        |
| Other operating income                                                                  |       | 1,646.99              | –                               | 1,646.99         |
| Other Income                                                                            | III   | 2,511.82              | 980.86                          | 3,492.68         |
| <b>Total Income</b>                                                                     |       | <b>53,373.15</b>      | <b>980.86</b>                   | <b>54,354.01</b> |
| <b>Expenses:</b>                                                                        |       |                       |                                 |                  |
| Employee benefits expense                                                               | VII   | 9,353.01              | 30.79                           | 9,383.80         |
| Finance cost                                                                            | V     | 4.13                  | (0.54)                          | 3.59             |
| Depreciation and amortisation expense                                                   | II    | 3,627.31              | (20.58)                         | 3,606.73         |
| Operating and Other expenses                                                            | IV    | 25,573.19             | 59.04                           | 25,632.23        |
| <b>Total Expenses</b>                                                                   |       | <b>38,557.64</b>      | <b>68.71</b>                    | <b>38,626.35</b> |
| <b>Profit before tax</b>                                                                |       | <b>14,815.51</b>      | <b>912.15</b>                   | <b>15,727.66</b> |
| Tax expense: (Refer Note (1)(xi))                                                       |       |                       |                                 |                  |
| Current tax                                                                             |       | 3,088.93              | –                               | 3,088.93         |
| Deferred tax                                                                            | IX    | 1,727.98              | 58.77                           | 1,786.75         |
| Deferred tax of earlier years                                                           |       | (0.27)                | –                               | (0.27)           |
| <b>Profit for the year</b>                                                              |       | <b>9,998.87</b>       | <b>853.38</b>                   | <b>10,852.25</b> |
| <b>Other Comprehensive Income</b>                                                       |       |                       |                                 |                  |
| Items that will not be reclassified to profit or loss                                   | X     |                       | 30.79                           | 30.79            |
| Income tax relating to items that will not be reclassified to profit or loss net of tax |       |                       | (10.66)                         | (10.66)          |
| <b>Total Comprehensive Income for the year</b>                                          |       | <b>9,998.87</b>       | <b>873.51</b>                   | <b>10,872.38</b> |

The Previous GAAP figures have been reclassified to conform to IND AS presentation requirements for the purpose of this note.

## Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There is no material impact on statement of cash flows due to transition from Previous GAAP to Ind AS.

## Notes to first-time adoption:

## Note I : Investment property

Under the Previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are disclosed on the face of the balance sheet. There is no impact on the total equity or statement of profit and loss.

## Note II : Amortisation of goodwill

Under the Previous GAAP, the Group amortised goodwill over a period of 5 years. Under Ind AS, Goodwill is not amortised but tested for impairment as per Ind AS 38 – 'Intangible Assets'. Thus, total comprehensive income for the year ended March 31, 2016, Goodwill as at March 31, 2016 increased by ₹ 20.58 lakhs.

## Note III : Fair valuation of investments

In accordance with Ind AS, the Group's investments in debt mutual funds have been fair valued. The Group has designated these investments as fair value through profit and loss. Under the Previous GAAP, the application of relevant accounting standard resulted in these investments being carried at cost.

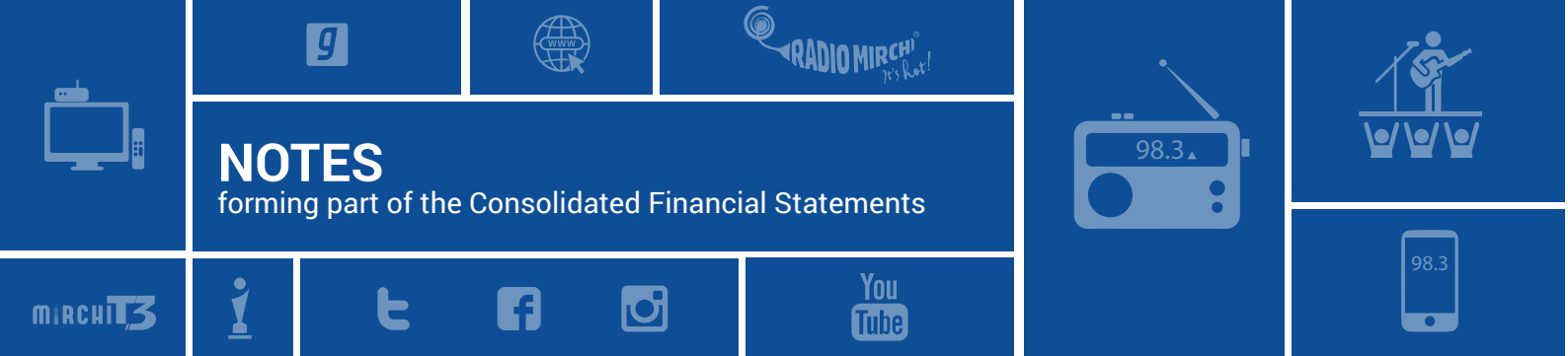
Consequent to the above, total comprehensive income for the year ended March 31, 2016 increased by ₹ 796.38 lakhs. Further the total equity as at March 31, 2016 increased by ₹ 3,497.00 lakhs, out of which the increase as on April 1, 2015 i.e. the Transition Date was ₹ 2,700.62 lakhs.

## Note IV : Trade receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the Provision for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 57.86 lakhs as at March 31, 2016 (April 1, 2015 ₹ 157.55 lakhs). Consequently, the total comprehensive income for the year ended March 31, 2016 reduced by ₹ 37.84 lakhs.

## Note V : Borrowings

Under the Previous GAAP, transaction costs incurred in connection with borrowings used for capital expenditure



were capitalised and depreciated over useful life of respective assets. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Accordingly, transaction costs on borrowings as at March 31, 2016 have been reduced by ₹ 13.06 lakhs (April 1, 2015 ₹ Nil) with a corresponding adjustment in Capital work in progress of ₹ 12.52 lakhs (April 1, 2015 ₹ Nil) and balance to retained earnings.

#### Note VI : Proposed dividend

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax on it aggregating ₹ 573.75 lakhs as at March 31, 2016 (April 1, 2015 ₹ 573.75 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

#### Note VII : Actuarial gains and Losses

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. However, this has no impact on the total comprehensive income and total equity as on April 1, 2015 or as on March 31, 2016.

#### Note VIII : 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 Group has fair valued certain security deposits by discounting them over the lock in period under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits reduced by ₹ 25.23 lakhs as at March 31, 2016 (April 1, 2015 ₹ Nil) and the prepaid rent increased by ₹ 25.23 lakhs as at March 31, 2016 (April 1, 2015 – ₹ Nil).

#### Note IX : Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on certain temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. Under the Ind AS, the Group has to account for such differences. Deferred tax adjustments are recognised in relation to the underlying transactions either in retained earnings or as a separate component of equity. During the year ended March 31, 2016, the net deferred tax liabilities on account of Ind AS adjustments was ₹ 58.77 lakhs. As on the Transition Date, the net impact on deferred tax assets due to Ind AS adjustments was ₹ 525.60 lakhs.

#### Note X : Other Comprehensive Income

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**51.** The previous year figures have been reclassified to conform to this year's classification.

Signatures to notes "1" to "51" forming part of the financial statements.

|                                              |                       |                                      |                         |
|----------------------------------------------|-----------------------|--------------------------------------|-------------------------|
| For and on behalf of the Board of Directors  |                       |                                      |                         |
| For <b>S.R.Batliboi &amp; Associates LLP</b> | <b>Vineet Jain</b>    | <b>Richard Saldanha</b>              | <b>Prashant Panday</b>  |
| Chartered Accountants                        | Chairman              | Director                             | Managing Director & CEO |
| ICAI Firm Registration No.: 101049W/E300004  | [DIN: 00003962]       | [DIN:00189029]                       | [DIN: 02747925]         |
| <b>Govind Ahuja</b>                          | <b>N. Subramanian</b> | <b>Mehul Shah</b>                    |                         |
| Partner                                      | Group CFO             | SVP Compliance and Company Secretary |                         |
| Membership No.: 48966                        |                       | [Membership No.: FCS 5839]           |                         |

Place : Pune  
Dated : May 23, 2017



## Notes

[illegible]



## Entertainment Network (India) Limited

CIN : L92140MH1999PLC120516

Website: [www.enil.co.in](http://www.enil.co.in) e-mail ID: [enil.investors@timesgroup.com](mailto:enil.investors@timesgroup.com) Ph: 022-67536983

**Registered Office** : 4<sup>th</sup> Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013.

### ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall

Name of the member(s) : .....

Registered address : .....

E-mail ID : .....

Folio No : .....

DP ID # : .....

Client ID# : .....

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on **Wednesday, August 30, 2017** at **3.00 p.m.** at Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai: 400018.

Signature of shareholder/ proxy holder(s)

# Applicable for investors holding shares in electronic form.

## Entertainment Network (India) Limited

CIN : L92140MH1999PLC120516

Website: [www.enil.co.in](http://www.enil.co.in) e-mail ID: [enil.investors@timesgroup.com](mailto:enil.investors@timesgroup.com) Ph: 022-67536983

**Registered Office** : 4<sup>th</sup> Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013.

### Form No.MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s) : .....

Registered address: .....

E-mail ID : .....

Folio No./ Client ID: .....

DP ID: .....

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint:

1. Name: ..... Address .....

E-mail ID : ..... signature: ....., or failing him:

2. Name: ..... Address .....

E-mail ID : ..... signature: ....., or failing him:

3. Name: ..... Address .....

E-mail ID : ..... signature: .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on **Wednesday, August 30, 2017** at **3.00 p.m.** at Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai: 400018 and at any adjournment thereof in respect of such resolutions as are indicated hereof.

[Please turn over for details of resolutions and notes]



Route map to the venue of the AGM



| Resolution No. | Description                                                                                                                                                                                                                                                      | For * | Against * |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 1              | Ordinary Resolution: Adoption of the audited financial statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.                                                                     |       |           |
| 2              | Ordinary Resolution: Adoption of the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 and the Report of the Auditors thereon.                                                                                |       |           |
| 3              | Ordinary Resolution: To declare dividend on equity shares.                                                                                                                                                                                                       |       |           |
| 4              | Ordinary Resolution: Re-appointment of Mr. Prashant Panday (DIN: 02747925), as a Director, liable to retire by rotation.                                                                                                                                         |       |           |
| 5              | Ordinary Resolution: Ratification of appointment of S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number - 101049W/ E300004), as the Auditors of the Company and to authorize the Board of Directors to fix their remuneration. |       |           |
| 6              | Ordinary Resolution: Ratification of remuneration payable to the Cost Auditors, M/s. R. Nanabhoy & Co., Cost Accountants (Firm registration number- 00010).                                                                                                      |       |           |
| 7              | Special Resolution: Issue of non- convertible debentures, bonds, debt securities, etc. on private placement basis                                                                                                                                                |       |           |

Signed this.....day of..... 2017.

Affix  
Revenue  
Stamp

Signature of shareholder .....

Signature of proxy holder(s) .....

\* Please put a '✓' in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

#### Notes:

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A proxy need not be a member of the Company.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such resolution should be attached to the proxy form, together with attested specimen signature(s) of the proxy. Attestation can be made by such body corporate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
- In case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.





[www.radiomirchi.com](http://www.radiomirchi.com)



**Entertainment  
Network (India)  
Limited**

#### **REGISTERED OFFICE**

Entertainment Network (India) Limited,  
CIN: L92140MH1999PLC120516,  
4th Floor, A-Wing, Matulya Centre,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.  
Phone: 022-66620600, 022-67536983  
Fax: 022-67536800  
E-mail: [enil.investors@timesgroup.com](mailto:enil.investors@timesgroup.com)  
website: [www.enil.co.in](http://www.enil.co.in)

#### **CORPORATE OFFICE**

Entertainment Network (India) Limited,  
Trade Gardens, Ground Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel (West),  
Mumbai - 400 013.  
Phone: 022-67536983  
website: [www.enil.co.in](http://www.enil.co.in)