**entertainment network (India) limited**

**Corporate Office**: 14th Floor, Trade World, D-Wing, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013, India. Tel: 022 6753 6983.

September 3, 2022

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

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

**Sub: Annual Report for the Financial Year 2021-22**

Dear Sir/Madam,

Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), please find enclossed herewith the Annual Report of **Entertainment Network (India) Limited** for the financial year 2021-2022 comprising of the Notice of the AGM, Report of the Board of Directors, Auditors' Report, Audited Standalone and Consolidated Financial Statements, Report on Corporate Governance, Management Discussion and Analysis, Business Responsibility Report, Integrated Report, other documents required to be attached thereto, etc. for the financial year 2021-2022.

Annual Report is also available at the Company's website: www.enil.co.in at https://www.enil.co.in/financials-annual-reports.php.

23rd Annual General Meeting (AGM) will be held on **Tuesday, September 27, 2022** at **3.00 p.m. IST** through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Kindly place the same on your record.

Thanking you,
**For Entertainment Network (India) Limited**

**Mehul Shah**
***EVP - Compliance & Company Secretary***
(FCS no- F5839)

Encl: a/a

**Registered Office**: 'A' Wing, 4th Floor, 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 ***www.enil.co.in***
Corporate Identity Number: L92140MH1999PLC120516

Annual Report
**2021-22**

ENIL
ENTERTAINMENT NETWORK (INDIA) LTD.

Entertainment Network (India) Limited


# A NEW MIRCHI

FM RADIO | LIVE | DIGITAL

# CORPORATE INFORMATION

## Board of Directors
(As on May 6, 2022)

**Mr. Vineet Jain**
(DIN: 00003962)
Non- Executive Chairman

**Mr. N. Kumar**
(DIN: 00007848)
Independent Director

**Mr. Ravindra Kulkarni**
(DIN: 00059367)
Independent Director

**Mr. Richard Saldanha**
(DIN: 00189029)
Independent Director

**Ms. Sukanya Kripalu**
(DIN: 06994202)
Independent Director

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

**Mr. N. Subramanian**
(DIN: 03083775)
Executive Director & Group CFO

## Management Team

**Prashant Panday**
Managing Director & CEO

**N. Subramanian**
Executive Director & Group CFO

**Nandan Srinath**
Executive President

**Tapas Sen**
Chief Programming Officer

**Preeti Nihalani**
Chief Operating Officer

**Vivek Kulkarni**
EVP & Head - Human Resources

**Udit Tyagi**
Chief Digital Officer

**Vishal Sethia**
EVP & National Content Director

**Indira Rangarajan**
EVP & National Content
Director-Digital

**Manoj Mathan**
EVP & Head of International Business

**Kanan Dave**
VP & Head - Marketing

**Prashant Ramdas**
VP & Legal Head

## Company Secretary

**Mehul Shah**
EVP- Compliance & Company Secretary

## Auditors

**Walker Chandiok & Co LLP**
Chartered Accountants
(ICAI Firm Registration
number - 001076N/ N500013)

## Legal Advisors

Singh & Singh Law Firm LLP
Halai & Co., Advocates & Legal Consultants
Khaitan & Co.

## Bankers

HDFC Bank Limited

## Registrar & Share Transfer Agents (R & TA)

**KFin Technologies Limited**
(Formerly known as
KFin Technologies Private Limited)
Unit: - Entertainment Network (India) Limited,
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032.
Phone: 040-67162222
Toll Free no.: 1800-309-4001
E-mail : einward.ris@kfintech.com
Website : www.kfintech.com

## Registered Office

Entertainment Network (India) Limited
CIN: L92140MH1999PLC120516
4th Floor, A-Wing, Matulya Centre
Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400 013.
Tel: 022 6662 0600
Fax: 022 6661 5030.
E-mail: enil.investors@timesgroup.com
website: www.enil.co.in

## Corporate Office

Entertainment Network (India) Limited 14th Floor,
Trade World, D wing Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (West),
Mumbai 400 013, India.
Tel: 022 6753 6983.

# WHAT'S WHERE



**Forward-looking statements**

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

www.enil.co.in

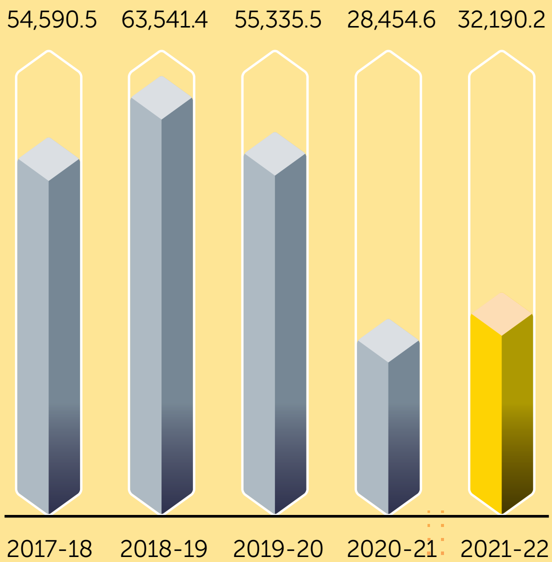
Scan the above QR code to know more about us

# FINANCIAL HIGHLIGHTS

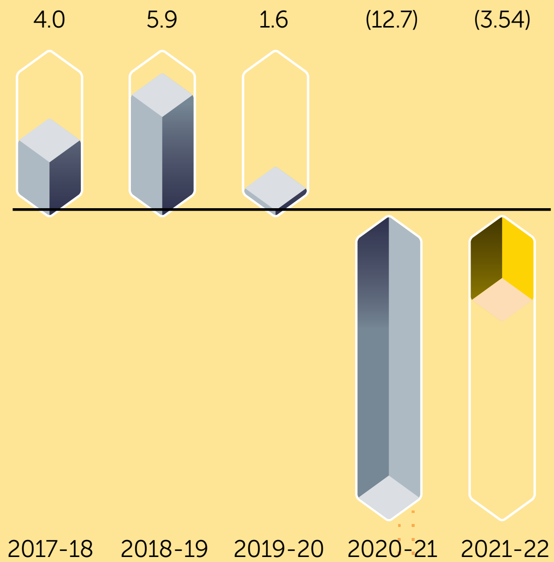
(₹ in lakhs)

| Particulars | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|---|---|
| **Results of Operations** | | | | | |
| **Total Revenue** | **32,190.2** | **28,454.6** | **55,335.5** | **63,541.4** | **54,590.5** |
| Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) & Exceptional items | 5,864.7 | 3,398.8 | 13,627.0 | 15,474.3 | 12,542.6 |
| Profit/(Loss) before Tax | (3,635.6) | (15,339.7) | 1,880.8 | 8,366.2 | 6,149.3 |
| Net Profit / (Loss) | (2,748.1) | (10,926.7) | 1,455.8 | 5,391.9 | 3,515.9 |
| **Financial position** | | | | | |
| Equity Share Capital | 4,767.0 | 4,767.0 | 4,767.0 | 4,767.0 | 4,767.0 |
| Reserves and Surplus | 72,406.9 | 75,672.3 | 87,056.9 | 88,456.2 | 83,659.2 |
| Net Worth | 77,173.9 | 80,439.4 | 91,823.9 | 93,223.2 | 88,426.2 |
| **Stock information** | | | | | |
| **Earnings Per Share (in ₹)** | **(5.8)** | **(22.9)** | **3.1** | **11.3** | **7.4** |

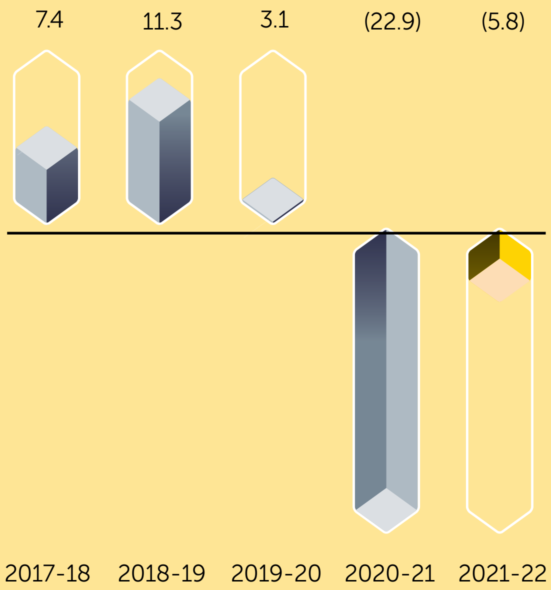
## Total Revenue
(₹ in lakhs)



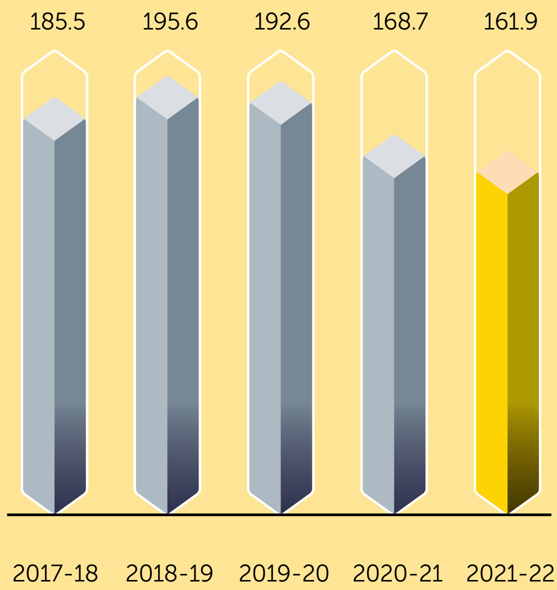

## Return on Average Net Worth
(%)



## Earnings Per Share
(₹)

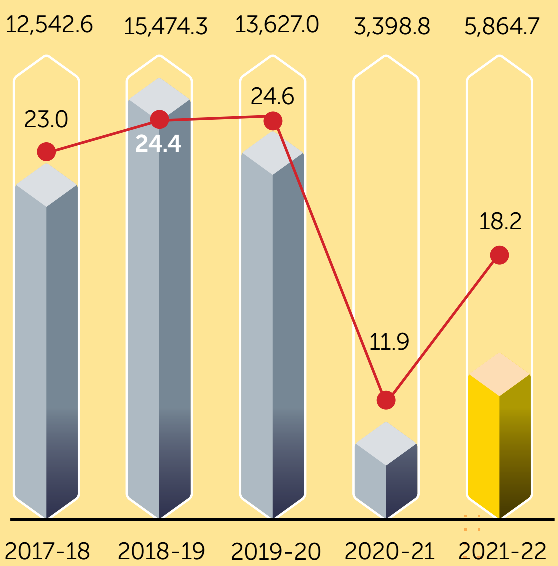



## Book Value Per Share
(₹)



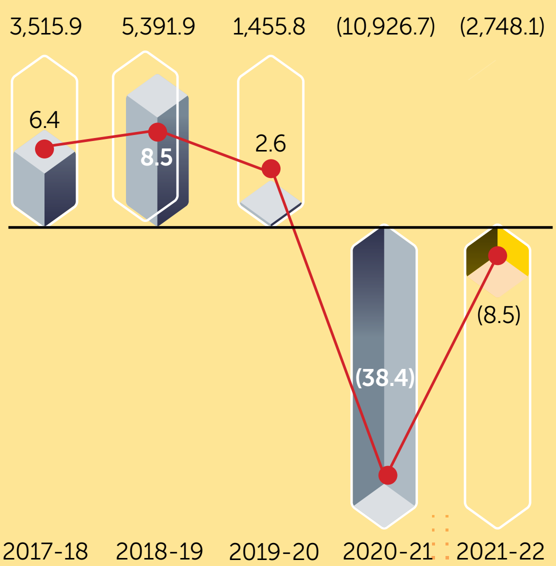

## EBITDA
(₹ in lakhs)

## EBITDA Margin
(%)




## PAT
(₹ in lakhs)

## PAT Margin
(%)



# A NEW MIRCHI

Mirchi today is so much more than what it was when it all began! The new Mirchi's business spans FM radio, on-ground impact events, music concerts, music-related TV shows, YouTube videos, online radio, social media influencers.....and so much more....and now also a digital platform! The new Mirchi has a bigger footprint on digital – an estimated 70 million monthly viewers on just YouTube – than even on FM radio with an estimated 45-50 million monthly listeners.


The new Mirchi's users comprise listeners (FM radio, online radio and audio stories on Mirchi Plus app), viewers (TV, Social Media, YouTube, Mirchi Plus app), readers (Mirchi Plus app, Social Media) and event thrill-seekers (on-ground impact events and music concerts). The new Mirchi is not only the #1 FM radio brand, but also the producer of the #1 music awards show (Mirchi Music Awards) and one of the biggest multi-channel-network (MCN) on YouTube with more than 14 million subscribers. The new Mirchi not only creates radio content for 73 radio stations spread across 63 cities, but also uploads 30,000 videos a year on Social Media and YouTube, generates 700 million views on its channels on YouTube, streams 500 million music tracks on Gaana, garners more than 100 million viewers for the Mirchi Music Awards shows on TV in multiple languages and reaches hundreds of thousands of podcast and audio story listeners on various podcast platforms. The new Mirchi earns its revenues not only from radio advertising, but also from TV sponsorships, digital programmatic advertising, ticket sales at on-ground events and concerts and even F&B at these events and concerts! The new Mirchi is not just Radio Mirchi – it is so much more!

**The new Mirchi is best described by our own imagination of ourselves – India's #1 city-centric music and entertainment company!**

# THE NEW MIRCHI: ON THE WAY TO BECOMING A DIGITAL-FIRST COMPANY


While we have been present on multiple external digital platforms like YouTube, Facebook and Instagram for many years, we have now launched our own digital platform, Mirchi Plus. With this, we have taken a decisive step towards becoming digital-first. The process of launching Mirchi Plus included a) digitizing all our existing assets, moving them to cloud based virtual setups b) creating permanent digital repositories for all our media assets – audio, video, images and text c) having cloud-based consoles to upload/download content from anywhere, anytime d) creating an in-house team of backend and front-end coders, developers, product managers and growth hackers and e) establishing a microservices based scalable architecture for a platform agnostic setup.

We started by launching an audio-only Mirchi app in the USA on both Android and iOS platforms. The app offered audio stories and streamed our terrestrial radio stations from New Jersey and San Francisco as well as 10 FM radio stations from different cities in India. The app is compatible with Android Auto and Apple Car Play to enable in-car listening. Post the USA launch, the app was made available to users in Bahrain, Qatar, UAE & Canada.

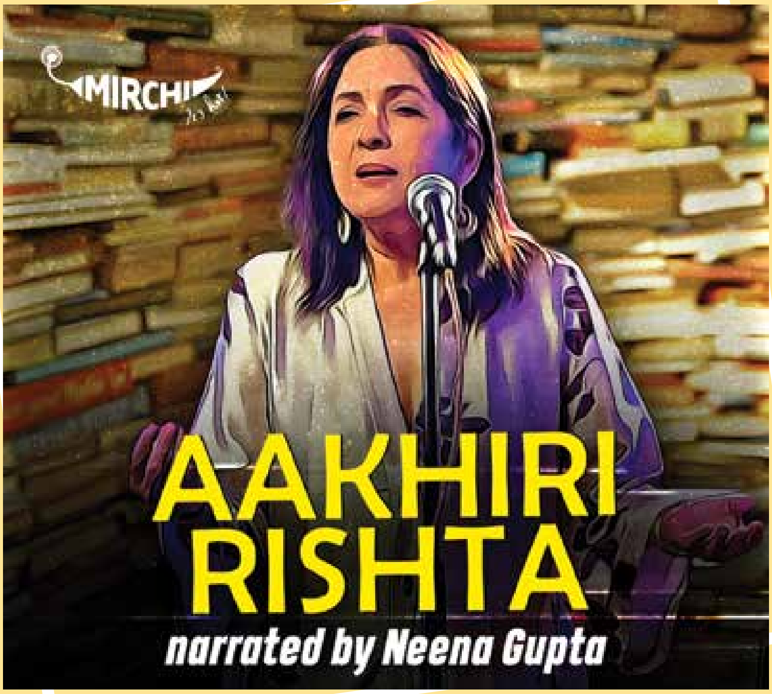
The international app launch was followed by the big-bang launch of the app in India in all its forms – App, Progressive Web App (PWA) and a Desktop site – in July of this year. The app in India offers the full range of content – video, audio and reads. The app is a complete entertainment and lifestyle destination.

The app was made completely inhouse by our own digital team. The conceptualisation of the whole technical architecture and the writing of every line of code was done inhouse. AI and ML have been used extensively to synergize the learnings from both terrestrial and digital platforms to provide an omnichannel experience to the user.

# MIRCHI PLUS – CONTENT THE BEDROCK

**Mirchi Plus offers high quality entertainment content in all formats - audio, video and text.**


The Mirchi Plus app offers hundreds of hours of our most popular radio content in the form of stories and funnies. In addition, a large pool of creators and producers are working on marquee audio content across genres like romance, thriller, horror, mystery, comedy etc. in multiple languages – Hindi, Punjabi, Marathi, Gujarati, Bangla, Telugu, Kannada and more. Through the content, we let listeners traverse an alternate world of dramatic, thrilling and gripping stories and position Mirchi Plus as 'Kahaniyon Ka Asli Adda' in the Indian audio OTT space.




Marquee audio stories include a first-of-its-kind-crime audio story inspired by true events titled '1000 Crore Ki Laash' narrated by Nawazuddin Sidiqqui. The app has also brought back some nostalgic content like Manohar Kahaniya, the quintessential pulp fiction magazine from the '90s and India's Most Wanted by Suhaib Illyasi. Some of Mirchi's finest content like Mirchi Murga, 'The Devdutt Patnaik' mythology show, 'Bhatt Naturally' a talk show series hosted by Mahesh and Pooja Bhatt on Bollywood controversies, Kareena Kapoor Khan's show 'What Women Want', interview series with top Bollywood celebrities and show on the legendary 'Manto' voiced by top personalities like Nandita Das, Nawazuddin Siddiqui and RJ Sayema are also available on Mirchi Plus. That's not all! Listeners will soon find popular artists like Neena Gupta as the narrator for a romance-based audio story 'Aakhri Rishta', Rhea Chakraborty for a travel drama called 'Purane Khat', and Ashutosh Rana for a supernatural thriller named 'Varuthi'.


Over the years, Mirchi has developed several shows and programs in video as well. Mirchi Murga videos, Mirchi Music Awards performances, celebrity shows like What Women Want by Kareena Kapoor Khan, Calling Karan, featuring Karan Johar, Shape of You featuring Shilpa Shetty etc. and a whole lot of content (apart from Murga) that our RJs make all the time feature on the Mirchi Plus app. Further we are offering music in video form via by embedding YouTube on the app. Mirchi's strength has been in "human curation" of music, and we are offering this via our specially designed playlist on YouTube.

For the first time, we have introduced entertainment content in the text form. For this, we are leveraging our group's strength and accessing content from them. We plan to publish stories that generate curiosity and buzz, stories that generate stickiness and bring a listener back repeatedly.

Our content creation will rely strongly on the strong creative team we have already employed. We will enhance this team so as to be able to constantly churn out great stories for the platform.

From business point of view, we will be able to offer customized digital inventory to our advertisers in the country & overseas. We have made a good business out of selling "Solutions" to our advertisers. But so far, we have been using public digital platforms. Now we will be able to use our own platform as well and generate better revenue share.

## DIGITAL-FIRST MIRCHI CAN TARGET A BILLION PEOPLE!

Hitherto, our footprint was limited by the coverage of our FM frequencies – an estimated 1 million square kms or 30% of India. But with the app, we are now limited only by the availability of internet, and smart phones. There are more than 800 million Indians in India who are within our grasp now. There are millions more PIOs around the world. These numbers are growing rapidly. A billion people will be available for us to tap soon!

# THE NEW MIRCHI BUILDS ITSELF ON THE FOUNDATION OF GREAT RADIO

**While the company grows rapidly on the digital side, FM radio continues to stay at the core of our business. During the last year, we produced some outstanding radio content, much appreciated by our listeners and much rewarded by various industry bodies. A few samples of our work:**

## The 2nd Corona wave

from April to June 2021 – saw people struggle for oxygen cylinders, hospital beds, life-saving medicines, plasma, etc. We turned our on-air radio, social media and digital feeds into 24x7 helplines to help people with information. Our own corona warriors – the RJs – provided spirited and selfless service to our listeners.

## Sunday Suspense in Hindi

We also extended the Bangla Suspense into Hindi and took it across 45 Hindi speaking markets. Sunday Suspense features stories, written by some of the best authors of Indian literature in the genre of thrillers, suspense, mysteries and the super-natural. We will soon be extending the show into Tamil and other languages.

## Sunday Suspense Bangla

Our award-winning Bangla flag radio show 'Sunday Suspense' created a new benchmark - a first for radio and YouTube - by producing a 6-hour long "audio cinema", with pivotal roles voiced by two of the youngest & most renowned Bengali actors - Anirban Bhattacharya & Gaurav Chakrabarty. The two radio shows garnered 4.5M views on YouTube.

## Voter awareness in UP

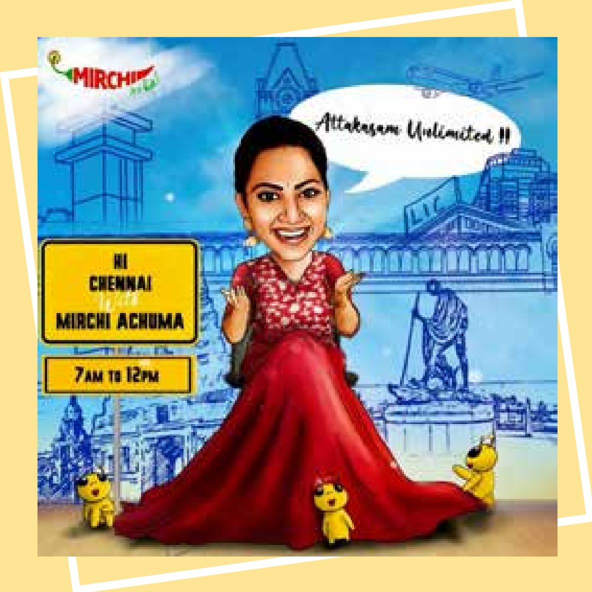
We initiated a huge voting awareness campaign in Uttar Pradesh when elections were due there. We flagged off a radio campaign – "Mera UP, Mera Gaurav"- with the aim of spreading pride for the state's heritage, art and culture and making people realize the importance of voting, thus encouraging maximum voting turnout.


## Environment

Championing the cause of the planet is the need of the hour an North East team lead the initiative in the area of waste management and immunization. Shillong's popular jock, RJ Nick, took to the streets holding placards with a question mark to bring the municipal board's attention to littering. He also posted videos of the same and talked extensively on radio. We received not only coverage in news channels and newspapers, but were also recognized and awarded by Rotary Club, Shillong Chapter, and by UNICEF & RADIO 4 CHILD for spreading awareness.

## Influencers become RJs

Instead of February, Valentine's Day appeared this year in June 2021 on Mirchi Love, Pune with the launch of actor-model and a true-blue Puneri Mulga, RJ Abhyangh on the morning show. While he was launched with a highly visible bus ride across the city with selected listener couples. Similar high-profile launches have also been undertaken for other influencer RJs like Rochie in Delhi, Archana in Chennai, Shardul in Mumbai, Netri Trivedi in Ahmedabad and many more.





## Pride Wala Love

Mirchi Insta Pyar (MIP) is a millennial love show, airing in 40+cities across India and USA, hosted by RJ Rochie. To celebrate pride wala love, we invited members of the LGBTQIA+ community to share their stories, struggles and the most amazing love stories. We had Mr. Gay India 2014 Sushant Digvikar share his powerful emotional journey on the show. Our Mumbai branch made us proud when one of the members of the transgender communities got a job as a news anchor after the representatives of the channel heard her interview on air.


## Honoring legends lost

This year saw the terrible loss of legends, Lata Mangeshkarji and Bappi Lahiriji. We celebrated their lives and work on radio and commiserated with our listeners.

## When Mirchi stepped in to help a delivery boy get his livelihood

Madhav Gaikwad, a delivery boy in Pune lost his means of earning a livelihood due to a case of mistaken identity. An angry customer had a fight with a different delivery agent and torched Madhav's bike thinking it belonged to him. Our morning show RJ, Ira, got in touch with Madhav, trying to figure out how to help him. She posted an appeal on social media following which a follower of hers, @indianabakshi started a fundraiser to buy a new bike for Madhav. Around 40 people helped in raising funds within 2 days. Another follower of Ira, @ shehazadlakhani lent his old bike to Madhav temporarily, so that he could continue his deliveries. With the help of funds raised by Milaap NGO, a new bike was presented to Madhav who requested Ira to do the puja and tie him a rakhi!

## Raipur's Bus Kab Aayegi?

Our Raipur team observed that the newly constructed Inter State Bus Terminal was lying abandoned for years. Genuinely raged by this utter waste of public money, our morning RJ Kshitij, decided to highlight this on radio and social media. The impact was such that the Municipal Commissioner visited the site in the presence of team Mirchi and took several important decisions. The same got covered by other media houses too. There is a buzz that the Bus Terminal may start soon in the coming days.


## Indoris learn traffic rules with Mirchi's #UddKeJayegaKya

The traffic condition in Indore has been deteriorating over time. Thus, was born, #UddKeJayegaKya. Mirchi RJs undertook traffic management at a few prominent places in Indore with support from Indore's Traffic Police. Our jocks tagged wrongly parked cars with parking tickets that contained funny quotes. DCP Traffic Umakant Choudhary and Influencer Traffic Cop Sumant Singh made surprise calls to traffic offenders from the Mirchi studio and educated them about traffic rules. Our jingle on the same campaign won the Finalist certificate at New York Radio Awards.


## Bangalore helmet campaign

When the Bangalore traffic police mandated the use of ISI-marked helmets, Mirchi kicked off a campaign called "Thale Irorige Matra" which translates to "for those with heads only". During this campaign, the Mirchi team stationed themselves across the city and distributed 700 ISI helmets in exchange for the unsafe helmets riders were using. The campaign was supported by the Bangalore traffic Police and had several fun videos by content creators to spread awareness about the need for ISI helmets

# "SOLUTIONS" CONTINUES TO GROW STRONGER

## One of our core strengths is the ability to design "solutions" for our advertisers.

We offer three types of solutions a) Multi-media solutions (MMS) b) IP solutions (IPS) and c) Digital content solutions (DCS). MMS solutions are highly effective because they use multiple media and produce a surround sound effect on the target audience. IPS solutions allow brands to "touch and feel" their target audiences and engage with them in a more intense manner. DCS solutions use the strengths of the digital medium to engage with difficult-to-reach target audiences. For years, we have focused on Solutions, and in the last year as well, we produced some truly amazing work for our advertisers!

During the pandemic, we have grown our digital content solutions business. With clients spending more on digital outlets, we were able to tap into an existing market. Our DCS solutions not only use our own digital assets, but also external digital platforms like Facebook, Instagram, YouTube, Gaana, Google and others. Many of our digital content solutions involve producing video entertainment shows featuring big-ticket Bollywood celebrities, like our show "What Women Want" with Kareena Kapoor Khan and Shape of You featuring Shilpa Shetty.


# MIRCHI IMPACT PROPERTIES

In FY22, despite Covid restrictions on on-ground events, and muted client spends, we managed to execute some of our biggest impact properties like the Mirchi Music Awards (MMA). This year's MMA was again an event created for TV. It was the only award show that was produced this year; the other award shows were forced to cancel or postpone.

We also successfully produced and executed many of our biggest regional impact properties like, Mirchi Rock n Dhol, Mirchi Tree Idiots, Mirchi Movie Nights, Mirchi Shopping Festivals etc. These were largely on ground events, but were reimagined and made multimedia, with strong digital legs. Some examples of our work: Axis Mirchi Splash - school activation, done digitally and Mirchi Mudhal Padi - college scholarship drive for under-privileged students in Tamil Nadu. We also did an interesting and innovative Music video integration for our client (Majja).


# YOUTUBE VIDEOS & MIRCHI ORIGINALS

Over the last year, Mirchi's Original Content team has seen encouraging growth, both in its content-scape and team size. Packed with a brilliant team of domain experts in writing, production, direction, editing, videography, graphic design and all-round creativity, the team has been pivotal in their contribution to content production for the Mirchi Plus App.

Filmy Mirchi and Mirchi Murga have consistently remained among the top-viewed YouTube Channels. Mirchi Murga generates more than 850K views a day and remains India's Number 1 prank and humor channel with over 4 million subscribers. Filmy Mirchi generates more than 600K views a day and has more than 6.5 million subscribers. The release of Mirchi Originals show, Shape of You added a 8.5 million views to the channel.



The regional YT channels have also been making steady progress. Our Mirchi Bangla channel added 500K subscribers during the year and clocked 158 million views. The Mirchi Tamil YT channel clocked 1.2 million views on a single brand integration led web-series called 'Cook with Kadhal', opening a new revenue opportunity! Mirchi Malayalam produced two original music videos breaking new ground and with 15.4 million+ views increased its views by 27% over the previous year. Mirchi Telugu launched their first IP Mirchi Fatafat clocking in 2 million views and growing steadily. Mirchi Marathi brought in a lot of Marathi celeb content resulting in over 10.3 million views during the year. Mirchi Kannada and Punjabi also had new content offerings that have led to a growth in channel engagement!

The digital content team created its first experimental Mirchi Originals show with Bollywood journalist Nayandeep Rakshit called 'What the Sach' last year. It has just completed the production of their bigger original content series 'Unfiltered' which features celebs from TV, OTT and the web, hosted by RJ Shardul. It will be Mirchi's first fully shot and produced in-house show featuring celebrities, produced at a shoestring budget.


The audio content team has also been creating original content for external platforms. Currently, Mirchi has 4 original shows that it has licensed to Spotify. Sunday Suspense Bangla has been the gold standard for quality. Now, Sunday Suspense Hindi is following in its footsteps. Sunday Suspense Hindi recently won three awards at the Golden Mikes including the Best Show.


Mirchi now has complete in-house capacity to produce world-class video content. The team has stepped in to help with Audio content, app uploads, running the day-to-day content curation on the app, writing articles, technical writing and much more.

# ONLINE RADIO STATIONS

With a total 16 stations currently active on Gaana and a fresh, new team managing the soundscape, stationalities and logs, Mirchi's 24/7/365 Web Radio offering is strengthened each day making a mark on a wider audience both in India and abroad. Regular feedback and love shared by listeners from across the world reassure the team of Mirchi's web radio stations' popularity and relevance to it niche audiences.

# MIRCHI IN INTERNATIONAL MARKETS

## North America:

In the USA, we now operate in 3 cities viz. New Jersey, San Francisco (the Bay Area), and Dallas. These are the 3 biggest radio markets for South Asian radio in the USA. While New Jersey has been in existence since January 2019, the Bay Area station was launched in July'2021 whereas Dallas was launched in April'2022. Besides these terrestrial stations, Mirchi is also available online on www.radiomirchiusa.com, Amazon Alexa, and the Mirchi Plus App, which was launched in mid-February 2022.


In all the 3 markets that we operate in, the feedback on the product has been very encouraging. In Dallas, where we have a brand and content licensing agreement with FA (Fun Asia) Radio International LLC, the response to the product and brand has been good too, over the last 3-4 months.

The Mirchi App was launched in Canada in April'2022. This App-only route (no terrestrial radio) will also be taken for other countries like Oman, Kuwait, Saudi Arabia, and many countries in Africa.

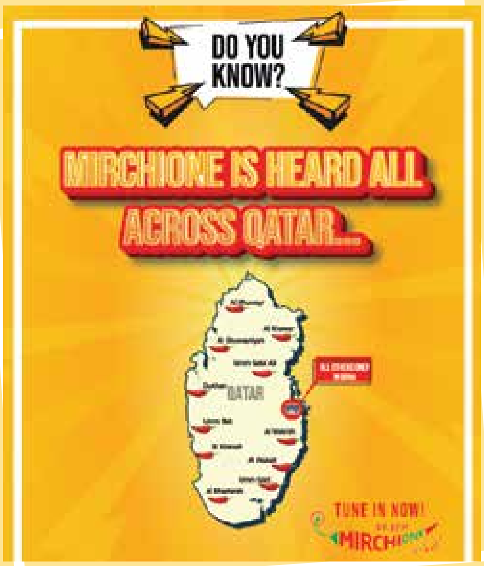
## UAE:

We were in the UAE for over 8 years in a Brand & Content License agreement with the Abu Dhabi Media Company, which ended by efflux of time in June 2020. Our strong brand name accompanied by high-quality programming had taken us to the number 1 position in listenership across the Emirates.

In March 2021, we re-entered the market, this time in partnership with Dolphin Recording Studio, overhauling their old brand Suno FM to a brand new Mirchi 102.4FM. We believe the Mirchi product, whichever frequency it's on, will continue to be supported and enjoyed by its loyal set of listeners. One year after entering the market, the response to the product has been good.


## Bahrain:

Mirchi was present in Bahrain under a brand licensing arrangement with a local partner till September 2019, after which our partner decided to surrender the license. After making a bid on our own in November 2019, ENIL won the bid in June'2020. We relaunched Brand Mirchi in Bahrain in May, 2021, through a 100% owned subsidiary called Mirchi Bahrain WLL. After more than 12 months in the market, the audience and client feedback has been good. Mirchi is the only private station in Bahrain.


## Qatar:

In partnership with a local partner, we launched MirchiOne in Qatar in March 2021. MirchiOne has quickly established itself as the radio station of choice, both for listeners and advertisers in Qatar. Again, in the first 12 months of operation, we have received extremely favorable feedback on our product. Advertisers also are enthused by our presence in the country.

Besides the above 4 Countries, we have plans to expand to a few more countries in the years to come. Any country that has a sizable Indian and South Asian population is a potential market for Brand Mirchi – not only as a radio station, but also for events, concerts, and digital content. It is therefore clear that the potential for Brand Mirchi in International markets is vast and huge.

# MIRCHI MUSIC AWARDS - HINDI

**India's biggest musical extravaganza, Mirchi Music Awards completed its 14th season this year.**

As always, it was a night full of glamour, celebrating the best of Indian music. Hosted by Bollywood's beloved playback singer - Sonu Nigam and co-hosted by the singer-songwriter - Neha Bhasin as well as singer-actor Meiyang Chang, this awards night couldn't have asked for more. Eminent artistes like Taapsee Pannu, Vidya Balan, Karishma Kapoor, Pratik Gandhi, Ila Arun, Sadhana Sargam, Ramesh Sippy, Papon, Anand Ji Bhai Sippy, amongst others, present at the prestigious awards, fueled the event with glamour, fun and rich music.


Shershaah wins Album of the year (L to R- Fanzeem Ahamed A T, Regional Head of Malabar Gold & Diamonds, Ramesh Sippy, Jasleen Royale, Asees Kaur, Tapsee Pannu, Tanishq Bagchi, Azeem Dayani, Javed- Mohsin, Shabbir Boxwala, Apoorva Mehta)


Sonu Nigam's tribute to India's nightingale, Late Lata Mangeshkarji

We put together a spectacular show with riveting performances by artists like Neha Bhasin, Lucky Ali, Neha Kakkar, Meet Bros, Jonita Gandhi, Shruti Pathak, Sneha Shankar, Antara Mitra, Zara Khan, Akasa Singh, Shahid Mallya, the sister duo of Sukriti and Prakriti Kakkar, Lisa Mishra, and the Mohan sisters - Neeti, Shakti and Yukti. The highlight of the night was Sonu Nigam's tribute to India's nightingale, Late Lata Mangeshkarji, along with a special tribute to Disco King, Bappi Lahiriji, by Meet Bros with Bappi Da's grandson, Swastik Bansal also singing. Sonu Nigam also paid a touching tribute to late Shravan Rathodji accompanied by his sons Sanjeev and Darshan Rathod. The power comedy couple Sugandha Mishra and Sanket Bhosale added more life to the awards with a dose of humor, making sure that there was never a dull moment.


A special tribute to Disco King, Bappi Lahiri, by Meet Bros with Bappi Da's grandson, Swastik Bansal


A spectacular performance by Neha Bhasin on Punjabi wedding songs


Tapsee Pannu getting Royal Stag Live it large award

Neha Kakkar's performance on romantic numbers with her husband Rohanpreet Singh

The Awards honored the best musical talent of the last two years (2021 and 2022) across many categories. Song of the year was bagged by Rataan Lambiyaan (Shershaah) and Shershaah got the award for Album of the year as well. Javed Ali won the Male vocalist of the year for his soulful title track of Srivalli (Pushpa). The very talented Shreya Ghoshal took home the award for Female vocalist for Chaka Chak (Atrangi Re). The listeners chose the song Chaka Chak from Atrangi Re as the Listeners Choice Song of the year. Again, Atrangi Re was chosen as the Album of the year by listeners. The Live It Large was won by Taapsee Pannu and Mirchi Trendsetter of the year was very well deservingly won by Yohani. UK Dubey bagged the award for outstanding contribution to Hindi film music and the special jury award for Golden Era Album went to Hum Dono (1961). The prestigious Lifetime Achievement Award was presented to the legendary singer Suman Kalyanpurji.

MMA Hindi had a digital promotion with over 81 million plus reach and the telecast reach of over 38 million plus on TV. The show was simulcasted on one of the leading television networks, Viacom 18, which included Colors SD & HD, Colors Rishtey and MTV SD & HD channels along with the content residing on their streaming platform - VOOT.


The power comedy couple Sugandha Mishra and Sanket Bhosale at their witty best

Scintillating performance with Lucky Ali


Vidya Balan awarding Raag-inspired song of the year to Sonu Nigam for Bheeni Bheeni Si (Mera Fauji Calling)


Karishma Kapoor performing on her hit numbers with Zara Khan

# MIRCHI MUSIC AWARDS - SOUTH

Mirchi Music Awards South, in its 11th edition of the awards, awarded the best work of the last two years (2021 and 2022) across all the South Indian film industries bringing together a plethora of musical stars under one roof! The award night saw the stage being set on fire by some scintillating performances by Sandy, Sathya, Alassandra, Purna, Haripriya and the Zabardast team! There was music, dance and comedy to entertain the audiences!

D Iman and Devi Sri Prasad were honoured with the 'King od Melody' and 'King of Beats' titles for their outstanding contribution to film music for over two decades

## The highlights of the Mirchi Music Awards South

Lifetime Achievement Award presented to Smt Sujatha Mohan by ace director Priyadarshan

Arjun Das, Vaishnav Tej, Amrutha Iyengar and Kalyani Priyadarshan walked away with the 'Rising Star' Award

Actor Silambarasan graced the stage to receive the award for 'Sensational Star Award'

Anirudh, Rosha Mathew, Rachita Ram, Arjun Janya, Master Poovayar and many more talented artists were honoured through the evening

**The shows had a massive digital promotion with 2 million plus reach and with the telecast reach of over 45 million. The shows were telecasted on leading television networks, Star Vijay, Asianet, ETV, Colors Kannada for the respective languages.**

# LETTER FROM THE MANAGING DIRECTOR

**A couple of years ago, we dropped "Radio" from our name and became just "Mirchi". This simple, yet impactful change signified that Mirchi was far more than just radio, or audio.**

## A new Mirchi

One of the continuing themes of brand Mirchi has been its transformation from an FM radio broadcaster to much more. Over the last few years, I have talked about how successful our digital content has been. Whether it was the videos we made and put on our channels on YouTube, or the original video web series we made for MX Player and other digital OTT platforms, or the radio stations we curated for music OTT Gaana or the tens of millions of followers we accumulated on our and our RJs' various social media platforms....what was clear was that the spread of brand Mirchi was way beyond FM radio. We may have begun as a broadcaster, but we had spread right into the middle of the digital revolution!

I have stated in the past that we expect our digital products to contribute 25% to our total revenues, with another 25% coming from our unique and proven "Solutions" business. We have so far taken our digital contribution to between 6% and 10% in each of the last 8 quarters. Growing at the current pace, we are unlikely to hit the 25% target in the next 2-3 years. With this in mind, we have taken the next logical, and so intuitive, step of launching our own platform! Yes, today Mirchi is available as an app on iOS and Google play stores, as well as on the web via its mWeb and desktop avatars. But what do we really hope to achieve with this platform? And what are the challenges that we will have to cross in achieving what we want to achieve?

Launching a platform is easy. Put together a few clever IT engineers and they will design an app. However, making the platform successful is a totally different matter. What drives the success is the acceptability of the app by the targeted users. If they don't find the app useful, the app is dead on arrival. The app needs to be a gateway to great content. It is ultimately content that users consume, not the app itself. Hitherto, users have been consuming Mirchi's digital content on public and external platforms – like Facebook, Instagram, YouTube, Gaana, MX Player and others. If we now put this high-quality content on our platform, that could be a good reason for users to come to us. Equally important is the UI/UX (user interface/user experience) features of the platform itself. If it allows consumption of content "on-demand", in a binge fashion, and in whatever sequence or order that the user wants, then that would be a huge value add over conventional FM radio. If there are other features – content recommendations based on past preferences, ability to like or dislike a show, or provide a way to communicate with the writers and producers of a show....then that would be a huge jump in experience. The Mirchi app does all this, and more!

The "more" comes from the range of content we offer. A couple of years ago, we dropped "Radio" from our name and became just "Mirchi". This simple, yet impactful change signified that Mirchi was far more than just radio, or audio. Mirchi's video products have been highly successful. Our Murgas, our video channels, our film and music celebrity interviews, our musical content....all have been hits on YouTube. In just June of this year, our views on YouTube crossed 100 million! Our celebrity video shows – What Women Want featuring Kareena Kapoor Khan, Shape of You featuring Shilpa Shetty and Dream Homes featuring Gauri Khan – have generated tens of millions of views. It is no surprise therefore that the Mirchi app features video entertainment content also. Additionally, for the first time, we have also introduced text entertainment content, to make the Mirchi app one for wholesome entertainment. Our focus is squarely on audio content though, more specifically on "audio stories", but the app offers a complete entertainment experience. The Mirchi app is probably the only app which offers all – audio, video and text – forms of entertainment!

The current focus of the app is on audio stories. We have positioned the app as "Kahaniyon ka asli adda", or "the real place to get great stories". We're treating audio stories like film titles – releasing on Fridays with the usual filmy fanfare and promos. While a lot of the stories are made in-house by Mirchi's own 350-member strong talent pool, many are sourced from external writers as well. Some of the stories feature celebrity voices, like the recently launched and fast moving "1000 crore ki laash" which features noted Bollywood star Nawazuddin Siddiqui. Our promise to our users is to give "human curated" stories, hand-picked from hundreds of thousands of humdrum content, not by algorithms.

If you are wondering, "why now" and "why not earlier", the answer perhaps is that there is a time, and a path for everything. We waited till we were sure of our ability to produce enough high-quality content. We launched when we had cleared the path to be much more than radio. There is no perfect time for anything. But we think that this is the right time to launch the next journey of our brand.

Funding the platform will need support from our core businesses – radio and Solutions. With the pandemic hopefully behind, both these businesses are showing renewed traction in the market. Traditional radio remains strong inside cars and with the youth and is attracting renewed interest from its core advertisers and several new ones. Solutions is a fast-growing product, with high margins now. Both radio and Solutions are back on the growth trajectory, with Solutions in a position to grow in strong double digits in the coming five years. Our listenership in radio remains strong, our ad volume share has grown, and in Solutions, we remain the only player offering a wide bouquet of solutions to advertisers.

To end, the biggest moves a company makes are often the simplest ones. Extending Mirchi from FM radio to an app-based multi-format entertainment brand looks like one of those moves. It's going to be challenging to make it successful, but we're more than ready for the challenge. With a solid team of creative, sales, digital and marketing professionals, we know we can make it work. And with the love and affection of our listener and viewers, we know we can gain their support. Finally, with the backing of you, dear investors, and of our Board, I believe we are well placed to see rapid value creation in the ENIL stock. We will create value because we will grow fast, and sensibly. We will not burn cash to "buy" usership. We plan to make our content build our usership.

Thank you for your support! Here's to a New Mirchi 😊

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

# BOARD OF DIRECTORS

## Mr. Vineet Jain

Chairman &
Non-Executive Director

Mr. Vineet Jain is the Managing Director of India's oldest, largest and most respected media group, the 183-year-old Bennett, Coleman & Co. Limited, also known as Times Group. Mr. Vineet Jain has been the driving force behind the diversification and expansion of what began as a traditional publishing business under the flagship Times of India. Today, the Times Group is No. 1 across the media spectrum - be it internet, radio, music, news television, OTT, or out-of-home - thanks to his vision and leadership.

A combination of business acumen, strategic insight and creative energy - and a deep understanding of both content and marketing - has helped keep the Group future-focused. Underpinning all of this is Mr. Jain's obsession with keeping the consumer at the centre of everything the Group does and his abiding belief in the transformative power of positive change. He built the largest omni-channel news network in the country with leadership across print, digital and TV mediums, with a keen eye on the product and a constant focus on innovation across the different formats.

The brands - which straddle platforms and audiences - speak to his success. He revolutionized the content behind The Times of India and The Economic Times, making it more contemporary and appealing to even younger audiences today. He played a pivotal role in transforming BCCL into a multimedia company with a powerhouse of brands across Radio (Mirchi), TV (Times Network), OOH (Times OOH), Music (Times Music) and Marquee IPs (Filmfare, Femina, ET Awards and Global Business Summit to name a few).

He spotted the digital trend early on and was instrumental in putting together the building blocks for the internet businesses within the Group. He is actively involved in all aspects of the internet business, leading Times Internet into one of the largest consumer ecosystems in India with a 600 mn monthly user reach. TIL is today the number 1 digital publisher in the world that also operates a portfolio of 39+ leading digital brands (MX Player, Magic Bricks, ETMoney, Cricbuzz to name a few) that engage millions of users worldwide.

It's his belief that the future of India lies with an educated and engaged youth that led to the establishment of Bennett University and its growing recognition as a respected institution and brand. Times Pro - the Edtech arm of the Group - has taken the Group's focus on education to the next level with its strong focus on higher education, upskilling, and executive education.

All this has won Mr. Jain several accolades: The Rajiv Gandhi Award for Corporate Excellence, and Indian Telly Award for his contribution to Indian TV Broadcasting Industry, in 2009; IMPACT Person of the Year, 2013; Entrepreneur of the Year Award 2013 from the Bombay Management Association; Media Person of the Year Award from the International Advertising Association (IAA) in 2015; the Indian Television Academy's 'Sterling Icon of Indian Entertainment – Media'; Art Karat Award for Excellence in Media; and AsiaOne Global Indian of the Year 2018; Lifetime Achievement Award at exchange4media News Broadcasting Awards (enba) 2018; Bharatiya Mahanatam Vikas Puraskar 2018-19; Impact Digital Power 100, 2020: Business Leaders; ITA Hall of Fame, 2020.

## Mr. Ravindra Kulkarni

Independent
Non-Executive Director

Mr. Ravindra Kulkarni is one of the most experienced corporate lawyers in India with over fifty years of practice. He is a senior partner of M/s. Khaitan & Co., one of India's leading law firms and has immense experience in all aspects of the 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 several developers and utilities in government bids for the development of independent power projects and other projects involving private-public partnerships.

## Mr. N. Kumar

Independent
Non-Executive Director

Mr. N. Kumar is the Vice Chairman of The Sanmar Group (www.sanmargroup.com), a global billion-dollar conglomerate headquartered in Chennai, India with manufacturing and distribution facilities in Mexico, Egypt and at several locations across India. The Group is engaged in three business sectors – Chemicals, Engineering and Shipping.

Mr. Kumar is the Honorary Consul General of Greece in Chennai.

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

He is one of the Trustees of WWF-India (World Wide Fund for Nature — India).

As a spokesman of Industry and Trade, he is a former President of the Confederation of Indian Industry (CII) and has participated in other apex bodies.

He is the Chairman of the Indo-Japan Chamber of Commerce and Industry.

Mr. Kumar has a wide range of public interests going beyond the confines of corporate management in areas of health, social welfare, education and sports. He is the President of Bala Mandir Kamaraj Trust and Managing Trustee of The Indian Education Trust which runs three Schools.

Mr. 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.

## Mr. Richard Saldanha

Independent
Non-Executive Director

Mr. Richard Saldanha, a graduate Mechanical Engineer, served Hindustan Lever & Unilever plc, 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 Limited, 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 the 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 Chairman of Gokaldas Exports Limited. He also is on the Board of Bennett, Coleman & Company Limited 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.

## Ms. Sukanya Kripalu

Independent
Non- Executive Director

Ms. Sukanya Kripalu is a graduate from St. Xavier's College and alumni of the Indian Institute of Management, Calcutta. She is a consultant specializing in the area of marketing, strategy, advertising and market research. Her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was also the CEO of Quadra Advisory – a WPP group company.

Ms. Sukanya Kripalu is on the Board of Directors at Aditya Birla Fashion & Retail Limited, Aditya Birla Health Insurance Company Limited, UltraTech Cement Limited and Colgate-Palmolive (India) Limited.

## 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 20 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 and in the latest IRS research conducted in 2019, Mirchi has been recognized as the No. 1 FM station of the country with about 3.8 crores weekly listeners. He is leading the transformation of Mirchi from a pure-play FM radio company into a digital-cum-FM-cum Live Entertainment company.

Mr. Panday has a total experience of over 30 years in industries ranging from Advertising, Banking, FMCG & Media. Prior to joining the Company, he 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.

## Mr. N. Subramanian

Executive Director & Group CFO

Mr. N. Subramanian joined the Company in December 2006 and is the Executive Director & Group Chief Financial Officer of the Company. Apart from the Company, he also serves a few other arms of the Times of India Group and is a Director on the Boards of Group Companies in India and abroad.

He has more than three decades of experience across Media & Entertainment, Financial Services, and FMCG businesses in India and overseas. In addition to Business Strategy, Finance, and Legal, he has also handled Capital and Debt Markets, M&A, and Private Equity in his long and illustrious professional career.

Prior to joining the Times Group, he was the CFO of SBI Life Insurance. He has also held senior management positions in the ICICI Group and Dresdner Kleinworth Capital. During the early part of his professional career, he handled a variety of roles in Brooke Bond Lipton (a Hindustan Unilever Group Company). He holds a Graduate Degree in Commerce and is a Chartered Accountant, Cost Accountant and Company Secretary. He is also an Alumnus of the Harvard Business School. Mr. N. Subramanian has also served on committees/sub-committees constituted by SEBI, RBI, IRDA and the Ministry of Finance.

# Notice

**NOTICE** is hereby given that the **TWENTY THIRD** Annual General Meeting (AGM) of the Members of **ENTERTAINMENT NETWORK (INDIA) LIMITED** will be held on **Tuesday, September 27, 2022** at **3.00 p.m.** through Video Conference ('VC')/ Other Audio Visual Means ('OAVM'), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 'A' Wing, 4th Floor, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, India.

## Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon; and the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon.

2. To declare a dividend on equity shares for the financial year ended March 31, 2022.

3. 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.

4. **Appointment of the Statutory 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) and/or re-enactment(s) thereof for the time being in force), Walker Chandiok & Co LLP, Chartered Accountants ('Walker Chandiok') (ICAI Firm Registration number - 001076N/ N500013) be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, to hold the office commencing from the conclusion of the twenty third Annual General Meeting (AGM) till the conclusion of the twenty eighth AGM of the Company, on such terms and remuneration as stated in the Explanatory 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 settle any question, difficulty or doubt, that may arise in regard to implementation of this resolution including but not limited to determine the roles and responsibilities / scope of work of the Statutory Auditors, negotiate, finalize, sign, execute the terms of appointment including any contracts or documents in this regard and 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 as may be necessary, expedient and desirable, including filing the requisite forms or documents with regulatory authorities, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

## Special Business

5. **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 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 made under the Companies Act, 2013 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm registration number- 00010), appointed by the Board of Directors of the Company on recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023, amounting to ₹ 4,75,000 (Rupees four lakhs seventy five thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified;

   **RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt, that may arise in regard to implementation of this resolution and 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 as may be necessary, expedient and desirable, including filing the requisite forms or documents with regulatory authorities, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

6. **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 (hereinafter

# Notice

referred to as 'the Act') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, 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 Members 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 of Directors 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 settle any question, difficulty or doubt, that may arise in regard to implementation of this resolution and 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 as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**Notes:**

1. In view of the continuing social distancing norms due to outbreak of the Covid-19 pandemic, Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 2/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021 and the latest General Circular No. 2/2022 dated May 5, 2022, read with other applicable circulars, have allowed the companies to conduct the Annual General Meeting (AGM) through Video Conferencing ('**VC**') or Other Audio Visual Means ('**OAVM**') till December 31, 2022 without physical presence of the Members at a common venue. Securities and Exchange Board of India ('SEBI') vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 has allowed relaxation from requirement of sending the hard copy of annual report and sending proxy forms as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Twenty Third AGM of the Company shall be conducted through VC / OAVM. KFin Technologies Limited (formerly KFin Technologies Private Limited) ('R&TA'/ 'KFinTech') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. Deemed venue of the AGM shall be the Registered Office of the Company. The procedure for participating in the meeting through VC/ OAVM is explained hereof and is also available on the website of the Company at www.enil.co.in.

2. Generally, under Section 105 of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. However, in terms of the aforesaid Circulars issued by MCA and SEBI, since this AGM is being conducted through VC/ OAVM, where physical attendance of the Members in any case has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for

# Notice

the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM Facility and e-voting during the AGM. Participation of the Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

3. Institutional / Corporate Members are requested to send scanned certified true copy (PDF Format) of the board resolution/ authority letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: enil.scrutinizer@hkacs.com with a copy marked to evoting@kfintech.com and enil.investors@timesgroup.com authorizing their representatives to attend and vote at the AGM, pursuant to Section 113 of the Act. The scanned image of the above mentioned documents should be in the naming format "ENIL_EVEN NO" and said documents may also be uploaded in the e-voting module with login credentials, on or before the closure of the e-voting.

4. The Company's Registrar & Share Transfer Agents are KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), ('R&TA'/ 'KFinTech'), Unit: Entertainment Network (India) Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Phone: 040-67162222; Toll Free no.: 1800-309-4001. E-mail: einward.ris@kfintech.com, Website: www.kfintech.com.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022, 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.

6. The relevant Explanatory 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. The Board of Directors have considered and decided to include the Item Nos. 5 and 6 given above as Special Business in the forthcoming AGM, as same are considered unavoidable in nature.

7. 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. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Nomination form can be obtained from the R&TA. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to R&TA in case the shares are held by them in physical form.

## Electronic dispatch of Annual Report and procedure for registering the e-mail address

8. In accordance with the various circulars issued by MCA and SEBI as mentioned hereof, this Annual Report including the Notice of the AGM, financial statements, Report of Board of Directors, Auditor's report and other documents required to be attached therewith are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.enil.co.in at https://www.enil.co.in/financials-annual-reports.php and websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Registrar and Share Transfer Agent, KFin Technologies Limited ('KFinTech') at https://evoting.kfintech.com. Physical copy of the Notice and the Annual Report 2021-22 shall be sent to those Members who request for the same.

9. 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. The Company/ R&TA cannot act on any direct request from the Members holding shares in dematerialized form for update/ change of their e-mail addresses. Such changes are to be intimated by the Members to their Depository Participants.

   Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's Registrar & Share Transfer Agents-KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) ('R&TA'/' KFinTech') at: Unit: Entertainment Network (India) Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Phone: 040-67162222; Toll Free no.: 1800-309-4001 or e-mail at einward.ris@kfintech.com with the copy of the signed request letter mentioning the name, folio number and address of the Member, self-attested copy of the Permanent Account Number ('PAN') card, and self-attested copy of any document (e.g. Driving License, Election Identity Card, Passport) in support of the address of the Member and copy of the share certificate.

# Notice

**Procedure for remote e-voting and voting at the AGM ('e-voting')**

10. 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 rules made under the Act and Regulation 44 of the 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 (**'e-voting'**) and the business may be transacted through such voting. The Members may cast their votes remotely, using electronic voting system prior to the AGM (**'remote e-voting'**). Further, the facility for voting through electronic voting system will also be made available at the AGM (**'Insta Poll'**) and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through Insta Poll. **The cut-off date for the purpose of remote e-voting and voting at the 23rd AGM is Tuesday, September 20, 2022. Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date, i.e., Tuesday, September 20, 2022 are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** The Company has appointed KFin Technologies Limited ('KFinTech' / 'Service Provider' / 'R&TA') for facilitating remote e-voting and also for facilitating participation and voting at the AGM.

11. In terms of the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on 'e-Voting Facility Provided by Listed Entities', Individual shareholders holding securities in demat mode are allowed to vote by way of single login credential, through their demat accounts / websites of Depositories/ Depository Participant(s). Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

12. 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. Members are eligible to cast vote only if they are holding shares as on the cut-off date.

13. **The remote e-voting period will commence at 9.00 a.m. (IST) on Thursday, September 22, 2022 and will end at 5.00 p.m. (IST) on Monday, September 26, 2022.** 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. At the end of remote e-voting period, the facility of remote e-voting shall forthwith be blocked/ disabled.

14. Once the vote on a resolution is cast by the Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting, whether partially or otherwise, prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

15. The facility for voting 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.

16. 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.

17. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the AGM (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as 'INVALID'.

18. Members are requested to refer to the detailed procedure on e-voting furnished separately and same shall be available on the Company's website: www.enil.co.in. In case of any query pertaining to e-voting, please visit *Help* and *FAQ's* section of https://evoting.kfintech.com (R&TA's website) or download *User Manual for Shareholders* available at the *Downloads* section of https://evoting.kfintech.com or e-mail to evoting@kfintech.com.

    Person responsible to address the grievances connected with facility for voting by electronic means: Ms. C. Shobha Anand- Deputy Vice President, KFin Technologies Limited, ('R&TA'/ 'KFinTech') [Unit: Entertainment Network (India) Limited], Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. E-mail ID: evoting@kfintech.com, Contact No. 040-67162222; Toll Free no.: 1800-309-4001.

19. 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, Mrs. Pooja Jain, Practicing Company Secretary (Membership No: F8160) - Partner of M/s. VPP and Associates as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

# Notice

20. Subject to receipt of requisite numbers of votes, the Resolutions shall be deemed to be passed on the date of the AGM.

21. During the AGM, the Chairman shall, after addressing the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/ OAVM facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.

22. The Scrutinizer(s) shall after the conclusion of e-voting at the AGM, first count the votes cast at the AGM (Insta Poll) and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and such Report shall then be sent to the Chairman or a person authorized by him, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

23. The voting results, along with the consolidated scrutinizer's report, shall be placed on the website of the Company at (www.enil.co.in) and on the website of R&TA (https://evoting.kfintech.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

24. **Detailed procedure and manner on remote e-voting for individual shareholders holding securities in demat mode:**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with National Securities Depository Limited (NSDL) | **1. User already registered for IDeAS e-Services facility of NSDL may follow the following procedure:**<br>1.1 Type in the browser / Click on the following e-Services link: https://eservices.nsdl.com<br>1.2 Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' under 'IDeAS' section.<br>1.3 A new screen will open. Enter your User ID and Password for accessing 'IDeAS'.<br>1.4 After successful authentication, you will enter your 'IDeAS' service login. Click on "Access to e-voting" under Value Added Services (e-voting services) on the panel.<br>1.5 Click on 'Active E-voting Cycles' option under E-voting.<br>1.6 You will see the Company name 'Entertainment Network (India) Limited' on the next screen. Click on the e-voting link available against the Company name - 'Entertainment Network (India) Limited' or select e-voting service provider 'KFinTech' and you will be re-directed to e-voting page of 'KFinTech' for casting your vote during the remote e-voting period.<br>**2. User not registered for IDeAS e-Services facility of NSDL may follow the following procedure:**<br>2.1 To register, in the browser / Click on the following e-Services link: https://eservices.nsdl.com<br>2.2 Select option 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>2.3 Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.<br>2.4 After successful registration, please follow steps given at Serial number 1 above to cast your vote.<br>**3. Users may directly access the e-voting module of NSDL as per the following procedure:**<br>3.1 Type in the browser / Click on the following link: https://www.evoting.nsdl.com<br>3.2 Click on the button 'Login' available under 'Shareholder/ Member' section. |

# Notice

| Type of shareholders | Login Method |
|---|---|
| | 3.3 On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.<br>3.4 Post successful authentication, you will enter the e-voting module of NSDL. You will see Company Name: 'Entertainment Network (India) Limited' on the next screen. Click on the e-voting link available against 'Entertainment Network (India) Limited' or select e-voting service provider 'KFinTech'.<br>3.5 On successful selection, you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period.<br>**4. Users may directly access the can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.**<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited [CDSL] | **1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:**<br>1.1 Type in the browser / Click on the following links to login: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select 'New System Myeasi'/ 'Login to MyEasi' (best operational in Internet Explorer 10 or above and Mozilla Firefox)<br>1.2 Login with your registered user id and password.<br>1.3 You will see the Company name – 'Entertainment Network (India) Limited' on the next screen. Click on the e-voting link available against 'Entertainment Network (India) Limited' or select e-voting service provider i.e., 'KFinTech' and you will be redirected to the e-voting page of KFinTech for casting your vote during the remote e-voting period.<br>**2. User not registered for Easi/Easiest facility of CDSL may follow the following procedure:**<br>2.1 To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>2.2 Proceed to complete the registration using your DP ID- Client ID (BO ID) etc.<br>2.3 After successful registration, please follow steps given at Serial number 1 above to cast your vote.<br>**3. User may directly access the e-voting module of CDSL as per the following procedure:**<br>3.1 Type in the browser / Click on the following links: www.cdslindia.com and click on E Voting or / https://evoting.cdslindia.com/Evoting/EvotingLogin<br>3.2 Provide your demat Account Number and PAN No.<br>3.3 System will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. |

# Notice

| Type of shareholders | Login Method |
|---|---|
| | 3.4 On successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against the Company Name: 'Entertainment Network (India) Limited' or select e-voting service provider 'KFinTech' and you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period. |
| Individual Shareholder login through their demat accounts / Website of Depository Participant | 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL /CDSL for e-voting facility.<br>2. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.<br>3. Click on options available against the Company Name: 'Entertainment Network (India) Limited' or e-voting service provider – 'KFinTech' and you will be redirected to e-voting website of KFinTech for casting your vote during the remote e-voting period. |

Important note: Members who are unable to retrieve User ID / Password are advised to use 'Forgot user ID' / 'Forgot Password' option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

25. **Detailed procedure and manner on remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

(A) Members whose e-mail IDs are registered with the Company/ Depository Participant(s) will receive an e-mail from KFinTech, which will include the details of E-Voting Event Number ('EVEN'), USER ID and password. Such Members are requested to follow the following process:

(i) Launch internet browser by typing the URL: https://evoting.kfintech.com

(ii) Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be the E-voting Event Number (EVEN) followed by your Folio Number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E- Voting Event Number ('EVEN') for Entertainment Network (India) Limited. Click on "Submit".

(vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or

# Notice

"AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

(ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).

(xi) Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the board resolution/ authority letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: enil.scrutinizer@hkacs.com with a copy marked to evoting@kfintech.com and enil.investors@timesgroup.com and they may also upload the said documents in the e-voting module with their login credentials, on or before the closure of the e-voting. The scanned image of the above mentioned documents should be in the naming format "ENIL_EVEN NO."

(xii) At the end of remote e-voting period, the facility of remote e-voting shall forthwith be blocked/ disabled.

(B) Members whose email IDs are not registered with the Company/ KFinTech/ Depository Participants(s), please follow the following steps to generate your login credentials. To facilitate the Members to receive this Notice electronically and cast their vote electronically, the Company has made arrangement with KFinTech for registration of e-mail addresses of the Members in terms of the circulars issued by MCA. Eligible Members who have not submitted their e-mail address to the Company or KFinTech are required to provide their e-mail address to KFinTech, on or before 5:00 p.m. (IST) on Tuesday, September 20, 2022.

The process for registration of e-mail address with KFinTech (on temporary basis only up to AGM) for receiving the Notice of the 23rd AGM and login ID and password for e-voting is as under:

(i) Visit the link:

https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

(ii) Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.

(iii) In case of any queries, member may write to einward.ris@kfintech.com.

(iv) Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

(v) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Please note that in case of shareholding in dematerialised form, the updation of e-mail address as stated above will be temporary only up to the AGM. As stated earlier, Members are requested to register their e-mail addresses with their Depository Participants, in respect of electronic holdings.

After successful submission of the e-mail address, KFinTech will e-mail a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFinTech.

26. Any person who becomes the Member of the Company after the dispatch of the AGM Notice and holding shares as on the cut-off date i.e., Tuesday, September 20, 2022, may obtain the User ID and password from R&TA in the following manner:

- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399:

# Notice

- Example for NSDL: MYEPWD <SPACE> IN12345612345678
- Example for CDSL: MYEPWD <SPACE> 1402345612345678
- Example for the Members holding shares in physical mode:

  MYEPWD <SPACE> XXXX1234567890

- If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- Member may call on the R&TA's phone no: 040-67162222 or toll-free numbers 1800-309-4001.
- Member may write to R&TA on the e-mail ID: evoting@kfintech.com or to Ms. C. Shobha Anand, Deputy Vice President at KFin Technologies Limited, [Unit: Entertainment Network (India) Limited], Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad– 500032, requesting for the User ID and Password.
- If the member is already registered with R&TA's e-voting platform, then he can use his existing password for logging in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

### Procedure for joining the AGM through VC/ OAVM and voting at AGM (for all the shareholders)

27. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members are requested to login at https://emeetings.kfintech.com under Members login, by using the e-voting login credentials provided in the email received from the Company/ KFinTech. After logging in and click on the 'Video Conference' tab and select the E-Voting Event Number ('EVEN') of the Company. Click on the video symbol and accept the meeting etiquettes to join the AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice.

28. Members may note that the VC/OAVM Facility, provided by KFinTech, allows participation of at least 2000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

29. For convenience of the Members and proper conduct of AGM, Members can login and join the AGM through VC/ OAVM mode thirty minutes before the time scheduled for the AGM and this mode will be kept open throughout the proceedings of AGM.

30. Members who need assistance with using the technology before or during the AGM, can contact R&TA on emeetings@kfintech.com or call on 040-67162222 or Toll-Free no.: 1800-309-4001 by quoting DP ID, Client ID/ Folio number and E-voting Event number.

31. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM through VC / OAVM. Any Institutional Investors Members facing issues for participating in AGM can write to enil.investors@timesgroup.com.

32. Members will be required to grant access to the webcam to enable VC / OAVM. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable WiFi or LAN connection to mitigate any kind of aforesaid glitches. Members are encouraged to join the AGM through laptops/ desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

### Procedure to raise questions relating to Annual Report

33. Since the AGM is being conducted through VC/ OAVM, for the smooth conduct of proceedings of the AGM, Members are invited to express their views/ send their queries in advance. Questions/ queries shall be submitted during the period from Thursday, September 22, 2022 (9:00 a.m. IST) up to Saturday, September 24, 2022 (5:00 p.m. IST), by any of the following process:

    - E-mail to enil.investors@timesgroup.com mentioning name, demat account no./folio number, e-mail ID, mobile number, etc.
    - Members holding shares as on the cut-off date i.e., Tuesday, September 20, 2022, may also visit https://emeetings.kfintech.com and click on "Post Your Queries" and post queries/ views/ questions in the window provided, by mentioning name, demat account number/folio number, e-mail ID, mobile number, etc.

# Notice

- Members can also post their questions during AGM through the "Ask A Question" tab which is available in the VC/ OAVM Facility as well as in the one way live webcast facility.

Queries received after Saturday, September 24, 2022 (5:00 p.m. IST) will be responded separately on e-mail.

34. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by logging onto https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. Speaker Registration will be open during the period from Thursday, September 22, 2022 (9:00 a.m. IST) up to Sunday, September 25, 2022 (5:00 p.m. IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

35. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

36. **Detailed procedure and manner on e-voting on the date of the AGM (Insta Poll)**

(i) E-voting during the AGM is integrated with the VC/ OAVM platform at https://emeetings.kfintech.com and no separate login is required for the same.

(ii) Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

(iii) The e-voting "Thumb sign" at the video screen shall be activated upon instructions of the Chairman during the AGM proceedings. Shareholders shall click on the same to take them to the Insta Poll page. Members are requested to click on the Insta Poll icon to reach the resolution page and follow the instructions to vote on the resolutions.

(iv) Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

## Procedure for inspection of documents

37. 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 second 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 by the Members and same shall be so made available for inspection in physical or in electronic form during the business hours on working day at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company without payment of fee and same will also be available during the AGM. Any Member interested in obtaining such information may write to the Company Secretary on enil.investors@timesgroup.com and the same will be furnished on request. The Annual Report is available on the Company's website at: www.enil.co.in.

38. Certificate from the Company Secretary in Practice has been attached with the Report on Corporate Governance, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

39. 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.

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 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 (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.

# Notice

40. Annual Report including *inter-alia* the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of this AGM, etc. is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/ R&TA/ Depositories and physical copy of the Annual Report will be sent to those members who request for the same .

41. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statements, shall be available for inspection through physical or electronic mode, basis the request being sent on enil.investors@timesgroup.com without payment of fee and same will also be available during the AGM.

## Dividend related information

42. The Dividend, if declared at the AGM, would be paid/ dispatched on/ after September 28, 2022 to those persons (or their mandates):

    - whose names appear as beneficial owners as at the end of the business hours on Tuesday, September 20, 2022 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 at the end of the business hours on Tuesday, September 20, 2022, in respect of the shares held in physical mode.

43. 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 cannot act on any direct request from the Members holding shares in dematerialized form for update/ change of such bank details. Such changes are to be intimated by the Members to their Depository Participants.

    If the registered shareholders, i.e. clearing members/ intermediaries/ stock brokers etc. are not the beneficial shareholders of the Company and if the declaration under Income Tax Rule Form 37BA(2) is provided regarding the beneficial ownership, the TDS/ withholding tax will be deducted at the rates applicable to the beneficial shareholders. Other documents as mentioned hereinafter will be required in addition to the said declaration.

44. 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 or any request regarding change/ update in the address or bank details should be directed to R&TA.

45. Payment of dividend shall be made through electronic mode to the shareholders who have updated their bank account details. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of or incomplete details of the bank account, the Company shall dispatch the dividend warrant / cheque to such shareholder by post.

46. Members are requested to ensure that the below details, as applicable, are submitted and/ or updated with KFinTech/ Depository participant(s), as the case may be, for the purpose of complying with the applicable TDS provisions:

    - Valid Permanent Account Number (PAN);
    - Residential status as per the Income-tax Act, 1961, i.e., Resident or Non-Resident for the financial year 2022-23;
    - Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) - Category I, II and III, Government (Central/ State Government), Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.;
    - Email Address;
    - Bank account details; and
    - Address (including country).

47. Members may note that the Income Tax Act, 1961 mandates that dividend paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

    (a) **For Resident Shareholders**, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 @ 10% or as notified by the Government of India on the amount of dividend declared and paid by the Company during the financial year 2022-23

# Notice

provided PAN is registered by the Shareholder. However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed ₹ 5,000. Please note that this includes the future dividend, if any, which may be declared by the Board in the financial year 2022-23.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted. Resident shareholders may also submit any other document as prescribed under the Income Tax Act, 1961 to claim a lower / Nil withholding tax.

If PAN is not registered, TDS shall be deducted @ 20% or as notified by the Government of India as per Section 206AA of the Income Tax Act, 1961.

No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000. However, where the PAN is not updated in in the records of the Company/ KFinTech/ Depository Participants or in case of an invalid PAN, the Company will deduct TDS under Section 194 read with Section 206AA and 206AB of the Income Tax Act, 1961 without considering the exemption limit of ₹ 5,000.

All the shareholders are requested to update their PAN with their Depository Participants (if shares are held in electronic form) and Company/ KFinTech (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records.

Members who are required to link Aadhaar number with PAN as required under Section 139AA(2) of the Income Tax Act, 1961, read with Rule 114AAA thereto, should compulsorily link the same within the stipulated date. If, as required under the applicable law, any PAN is found to have not been linked with Aadhaar within the prescribed due date, then such PAN will be deemed invalid and TDS would be deducted at higher rates under Section 206AA of the Income Tax Act, 1961. The Company reserves its right to recover from the Member any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AA of the Income Tax Act, 1961.

(b) **For Non-resident Shareholders,** TDS is required to be deducted in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the tax shall be deducted @ 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement including, wherever applicable, any modifications by the Multilateral Instrument (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC.

  Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self-declaration, certifying the following points:

  (i) Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;

  (ii) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

  (iii) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

  (iv) Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

  (v) Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

  Please note that your Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend

# Notice

amounts. Application of the beneficial DTAA rate shall depend upon the completeness and satisfactory review by your Company, of the documents submitted by Non- Resident shareholders.

48. Accordingly, in order to enable your Company to determine the appropriate TDS rate applicable, we request you to provide these details and documents as mentioned above or any other documents you may want to rely for lower/ nil rate of tax deduction on or before Tuesday, September 13, 2022.

49. Kindly note that the aforementioned documents are required to be submitted at enil.tax@timesgroup.com on or before Tuesday, September 13, 2022 in order to enable your Company to determine and deduct appropriate TDS rate. No communication on the tax determination / deduction shall be entertained post Tuesday, September 13, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

50. We shall arrange to e-mail the soft copy of TDS certificate to you at your registered e-mail ID in due course, as per the relevant provisions of the Income Tax Act, 1961. In order to enable your Company to e-mail the aforesaid TDS certificate, we request you to get your e-mail id registered on or before Tuesday, September 13, 2022.

51. **Section 206AB of the Income Tax Act, 1961:**

    Where Sections 206AA and 206AB of the Income Tax Act, 1961 are applicable i.e., the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections. The applicability of 206AB & section 206AA shall be obtained from Income Tax department on the basis of PAN provided by shareholders.

    The term 'specified person' is defined in sub Section (3) of Section 206AB who satisfies the following conditions:

    - A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Income Tax Act, 1961 has expired; and
    - The aggregate of TDS and TCS in his case is ₹ 50,000 or more in each of these two previous years.

    The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

    The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

## IEPF related information

52. The MCA had notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. As per the said Act and Rules, as amended from time to time, the dividend that remains unclaimed/ unpaid/ un-encashed for a period of seven years and equity shares of the Company, in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government. Therefore, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period.

53. Details of the unclaimed dividend amount are available on the Company website- www.enil.co.in at the url: https://www.enil.co.in/unclaimed-dividend.php and same is also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the R&TA / Company Secretary at the registered address.

54. The Company has transferred ₹ 24,189, being the unpaid or unclaimed dividends declared for the financial year 2013-14 and 623 equity shares to the IEPF Authority as per the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Details of dividends and shares transferred to the IEPF Authority are available on the Company website- www.enil.co.in at the url: https://www.enil.co.in/unclaimed-dividend.php and also on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

55. The shareholders whose dividend and shares are transferred to the IEPF Authority can claim the same from IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority: http://www.iepf.gov.in at http://www.iepf.gov.in/IEPF/refund.html.

# Notice

56. Calendar for transfer of unclaimed dividend to IEPF:

| Financial Year | Date of declaration of dividend | Due for transfer to IEPF |
|---|---|---|
| FY2014-15 | 14-Sep-2015 | 17-Oct-2022 |
| FY2015-16 | 03-Aug-2016 | 05-Sep-2023 |
| FY2016-17 | 30-Aug-2017 | 02-Oct-2024 |
| FY2017-18 | 26-Sep-2018 | 29-Oct-2025 |
| FY2018-19 | 05-Aug-2019 | 07-Sep-2026 |
| FY2019-20 | 23-Sep-2020 | 26-Oct-2027 |
| FY2020-21 | 28-Sep-2021 | 31-Oct-2028 |

## Others

57. Pursuant to the Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], details relating to the appointment of Walker Chandiok & Co LLP, Chartered Accountants ('Walker Chandiok') (ICAI Firm Registration number-001076N/ N500013) as the Statutory Auditors, proposed fees, terms of appointment, etc. are mentioned at the resolution no. 4, read with the Explanatory Statement thereto, which form part of this Notice.

58. As required under the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details in respect of the directors seeking appointment (including 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, shareholding, etc. are set out in the *Annexure A* and *Annexure B* 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 directors have furnished the relevant consents, declarations, confirmations etc. for their appointment, re-appointment.

59. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to R&TA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. SEBI has also mandated the submission of PAN, KYC details and nomination by holders of physical securities, and linking PAN with Aadhaar. Members are requested to submit their PAN, KYC and nomination details to the R&TA. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, the R&TA are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the R&TA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

    Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

60. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated issuance of Securities in dematerialized form in case of Investor Service Requests received from holder of physical shares pertaining to; (i) Issue of duplicate securities certificate; (ii) Claim from Unclaimed Suspense Account; (iii) Renewal / Exchange of securities certificate; (iv) Endorsement; (v) Sub-division / Splitting of securities certificate; (vi) Consolidation of securities certificates/folios; (vii) Transmission; and (viii) Transposition. The R&TA will issue a 'Letter of Confirmation' in place of Security certificate. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

# Notice

61. Members are requested to:

    - Intimate the RTA, immediately about any change in their addresses, if the shares are held in Physical form. If the shares are held in electronic form, then such change is to be informed to the Depository Participant (DP) and not to the Company / RTA.
    - Quote Registered Folio Number or Client ID-DP ID in all the correspondence with the Company/ RTA.
    - Approach RTA of the Company for consolidation of Folios, if any / required.

62. In terms of the Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Transmission and transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members holding shares in physical form are advised to convert physical shares in dematerialise form.

63. Annual Report containing *inter-alia* the Notice convening the Twenty Third AGM, the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2022 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 at https://www.enil.co.in/financials-annual-reports.php and websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the R&TA at https://evoting.kfintech.com available at the *Downloads* section. Copies of the aforesaid documents are available for inspection and such documents shall be so made available for inspection in physical or in electronic form during the business hours on working day at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company without payment of fee and same will also be available during the AGM. Any Member interested in obtaining such information may write to the Company Secretary at enil.investors@timesgroup.com and the same will be furnished on request.

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

sd/-

**Mehul Shah**
*EVP – Compliance & Company Secretary*
FCS: 5839

Mumbai, May 6, 2022

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

www.enil.co.in

# Notice

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

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice dated May 6, 2022.

1. **Item No. 4:** The Members of the Company, at the Extraordinary General Meeting held on December 10, 2021, had approved the appointment of Walker Chandiok & Co LLP, Chartered Accountants ('Walker Chandiok') (ICAI Firm Registration number - 001076N/ N500013) as the Statutory Auditors of the Company to hold office till the conclusion of the twenty third Annual General Meeting (AGM). As stated in the notice of the said Extraordinary General Meeting, Walker Chandiok were appointed to fill the casual vacancy caused due to the resignation of the erstwhile Statutory Auditors - S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number- 101049W/ E300004). The term of appointment of Walker Chandiok will expire at the conclusion of the twenty third AGM. As per the provisions of Section 139 of the Companies Act, 2013 ('the Act') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), audit firm can be appointed for the term of five consecutive years, i.e., from the conclusion of the twenty third AGM till the conclusion of the twenty eighth AGM.

2. Walker Chandiok have provided their consent for appointment as the Statutory Auditors of the Company along with a certificate under Section 139 of the Act, *inter-alia* stating that they satisfy the criteria provided in Section 141 of the Act. 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 Act, read with the applicable rules made under the Act. They have also confirmed that they are not disqualified for appointment as the Auditors of the Company under the applicable provisions of the Act.

3. In terms of the Rule 4(1)(d) of the Companies (Audit and Auditors) Rules, 2014, Walker Chandiok have confirmed, to the best of their knowledge and belief, that 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 the matters stated below:

   Professional matters of conduct under the Chartered Accountants Act, 1949 are pending against one partner of the Firm and one erstwhile partner of the Firm.

   One of the two matters is related to audits of financial statements. Both these matters are at the stage of prima facie opinion.

   Both the matters are being contested by the concerned partners in accordance with the disciplinary mechanism under the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

   Other than the above, there are no proceedings pending against the firm or any of its partners, as of date, with the respect to professional matters of conduct.

4. Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditors: Walker Chandiok is a partnership firm established in 1935. With 13 offices across the country, 53 partners and a team of over 1,500 people, Walker Chandiok provides audit, tax and advisory services in India. Walker Chandiok ranks among the top 5 Auditors in India on the basis of market capitalisation of the companies audited by them and has experience across a range of industries, market segments and geographical corridors. The Audit Committee and the Board of Directors of the Company, based on the credentials of the firm and partners and eligibility criteria prescribed under the Act, recommend the appointment of Walker Chandiok as the Statutory Auditors of the Company.

5. Based on the recommendation of the Audit Committee and pursuant to the provisions of Sections 139, 142 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, the Board of Directors has considered, approved and recommended the appointment of Walker Chandiok as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the twenty third AGM till the conclusion of the twenty eighth AGM.

6. It is proposed to appoint Walker Chandiok as the Statutory Auditors at a remuneration of ₹ 42,00,000 (Rupees forty two lakhs only) per annum plus applicable taxes and reimbursement of traveling and out of pocket expenses incurred in connection with the statutory audit with an overall increment not more than 25% in aggregate during their term of five years, as recommended by the Audit Committee and fixed by the Board of Directors of the Company, with liberty to the Audit Committee and Board of Directors of the Company to alter and vary the terms and conditions including remuneration. There is no material change in the fee payable to Walker Chandiok from that paid

# Notice

to the erstwhile Auditors - S. R. Batliboi & Associates LLP. Aforesaid proposed remuneration payable to Walker Chandiok is commensurate with the size and operations of the Company.

7. Relevant documents are available for inspection by the Members and same shall be so made available for inspection in physical or in electronic form during the business hours on working day at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company without payment of fee and same will also be available during the AGM. Any Member interested in obtaining such information may write to the Company Secretary on enil.investors@timesgroup.com and the same will be furnished on request.

8. Consent of the Members is sought for passing the ordinary resolution as set out at Item No. 4 of the notice for the appointment of the Statutory Auditors of the Company. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are, in way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the notice. The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval of the Members.

9. **Item No. 5:** 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, the Companies (Cost Records and Audit) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), has approved the appointment 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, 2023, at a remuneration of ₹ 4,75,000 (Rupees four lakhs seventy five thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit. 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. A Certificate issued by the above firm regarding their independence and eligibility for appointment as the Cost Auditors of the Company and other relevant documents are available for inspection by the Members and same shall be so made available for inspection in physical or in electronic form during the business hours on working day at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company without payment of fee and same will also be available during the AGM. Any Member interested in obtaining such information may write to the Company Secretary on enil.investors@timesgroup.com and the same will be furnished on request.

10. 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 out at Item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2023.

11. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are, in anyway, concerned or interested, financially or otherwise, in the Ordinary 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.

12. **Item No. 6:** To augment the long term resources for financing *inter-alia* for expansion plans, general corporate purposes, capital expenditure, feasible organic/ inorganic opportunities including mergers, acquisitions, arrangements, etc., the Company may require substantial funds.

13. 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 (hereinafter referred to as 'the Act') (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force), 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.

14. As stated earlier, to augment the long term resources for financing *inter-alia* expansion plans, general corporate purposes, capital expenditure, feasible organic/ inorganic opportunities including mergers,

# Notice

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.

15. Accordingly, approval is being sought for an enabling Special Resolution as set out at Item No. 6 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.

16. 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. 6 of the Notice.

17. This resolution would be valid for a period of one year from the date of passing this Resolution.

18. 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 Special Resolution set out at Item No. 6 of the Notice. The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

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

sd/-

**Mehul Shah**
*EVP – Compliance & Company Secretary*
FCS: 5839

Mumbai, May 6, 2022

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

www.enil.co.in

# Notice

## Annexure - A:

**Annexure to Item No. 3 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).

As per the requirement of the circular from the stock exchange (no: LIST/COMP/14/2018-19 Dated June 20, 2018), the Board of Directors and its Nomination and Remuneration Committee, while considering the appointment, re-appointment of the directors, have verified that they are not debarred from holding the office of director pursuant to any SEBI order or any other such authority. Accordingly, the Company affirms that the Directors proposed to be appointed, re-appointed are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

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 (age: 56 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/ Experience | As per the resume stated hereof at Annexure - B. |
| Nationality | Indian |
| Terms and conditions of appointment / reappointment | Mr. Panday was reappointed as the Managing Director & CEO for a period commencing from July 1, 2021 and concluding on his date of retirement, i.e. July 8, 2023 at the 22nd AGM held on September 28, 2021. His office shall liable to retire by rotation. Other details are stated at para 7 (c) of the Report on Corporate Governance. |
| Details of remuneration sought to be paid | Since he is proposed to be reappointed as Director liable to retire by rotation, there is no proposal to change the remuneration which is already approved at the 22nd AGM. Details of remuneration were furnished at the Resolution No: 6 of the 22nd AGM notice. |
| Details of remuneration last drawn (per annum) | ₹ 322.74 lakhs |
| Date of first appointment on the Board | July 1, 2010 |
| Number of board meetings attended during the year | 6 out of 6 |
| List of Directorships held in other Companies | Unlisted entities: Alternate Brand Solutions (India) Limited.<br>Foreign entities: Entertainment Network, INC., Entertainment Network, LLC. and Mirchi Bahrain W.L.L.<br>Mr. Panday never held any directorship in other listed entities in the past three years. |
| Committee membership | Entertainment Network (India) Limited: Member of Corporate Social Responsibility Committee, Member of Stakeholders Relationship Committee and Member of Risk Management Committee |
| Shareholding in the Company | 21900 equity shares of ₹ 10/- each |
| Relationship with Directors, Managers or other KMP | Not applicable |

# Notice

## Annexure - B:

## Resume of the director relevant for Item No. 3 of the Notice (Covering nature of expertise in specific functional areas/ Experience)

**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 20 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 and in the latest IRS research conducted in 2019, Mirchi has been recognized as the No. 1 FM station of the country with about 3.8 crore weekly listeners. He is leading the transformation of Mirchi from a pure-play FM radio company into a digital-cum-FM-cum Live Entertainment company.

Mr. Panday has a total experience of over 30 years in industries ranging from Advertising, Banking, FMCG & Media. Prior to joining the Company, he 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.

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

sd/-

**Mehul Shah**
*EVP – Compliance & Company Secretary*
FCS: 5839

Mumbai, May 6, 2022

**Registered Office:**

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

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# Notice

**Summary of information:**

| No. | Information | Details |
|---|---|---|
| 1 | AGM date and time | Tuesday, September 27, 2022 at 3.00 pm (IST).<br>Annual Report is available at: www.enil.co.in at: https://www.enil.co.in/financials-annual-reports.php |
| 2 | Mode of AGM | Video Conference (VC)/ Other Audio Visual Means (OAVM) |
| 3 | Login time for AGM participation | Tuesday, September 27, 2022 at 2.30 pm (IST) at: https://emeetings.kfintech.com |
| 4 | Registrar & Share transfer Agent and service provider for Remote e-voting, AGM participation through VC/ OAVM and e-voting (Insta Poll) at AGM | KFin Technologies Limited ('R&TA'/ 'KFinTech'), Unit: Entertainment Network (India) Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Phone: 040-67162222; Toll Free no.: 1800-309-4001. Website: www.kfintech.com<br>E-mail (for general correspondence): einward.ris@kfintech.com<br>URL for remote e-voting: https://evoting.kfintech.com<br>E-mail (for e-voting related queries): evoting@kfintech.com<br>URL for AGM participation: https://emeetings.kfintech.com<br>E-mail (for queries related to AGM participation): emeetings@kfintech.com<br>Please refer to the note nos. 10 to 36 of the AGM notice regarding e-voting and participation at the AGM. |
| 5 | Speaker registration process | Visit https://emeetings.kfintech.com and after login, click on 'Speaker Registration' during the period from Thursday, September 22, 2022 (9:00 a.m. IST) up to Sunday, September 25, 2022 (5:00 p.m. IST). |
| 6 | Submission of Questions / Queries before and during AGM | Questions/queries shall be submitted during the period from Thursday, September 22, 2022 (9:00 a.m. IST) up to Saturday, September 24, 2022 (5:00 p.m. IST), by any of the following process:<br>▪ E-mail to enil.investors@timesgroup.com mentioning name, demat account no./ folio number, e-mail ID, mobile number, etc.<br>▪ Members holding shares as on the cut-off date i.e., Tuesday, September 20, 2022, may also visit https://emeetings.kfintech.com and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/folio number, e-mail ID, mobile number, etc.<br>▪ Members can also post their questions during AGM through the "Ask A Question" tab which is available in the VC/OAVM Facility as well as in the one way live webcast facility. |
| 7 | Book Closure dates | Wednesday, September 21, 2022 to Tuesday, September 27, 2022, both days inclusive |
| 8 | Cut-off date for e-voting | Tuesday, September 20, 2022 |
| 9 | Remote E-voting start time and date | Thursday, September 22, 2022 (9:00 a.m. IST) |
| 10 | Remote E-voting end time and date | Monday, September 26, 2022 (5:00 p.m. IST) |
| 11 | URL for E-voting | NSDL: https://eservices.nsdl.com/ or https://www.evoting.nsdl.com/<br>CDSL:https://web.cdslindia.com/myeasi/home/login or https://www.cdslindia.com/<br>Voting at AGM/ Insta Poll: https://emeetings.kfintech.com<br>KFinTech: https://evoting.kfintech.com |
| 12 | E-mail registration and updation process | ▪ Shareholders holding shares in demat mode can register/ update e-mail, mobile details etc. with their Depository Participants<br>▪ Shareholders holding shares in physical mode can contact the Company's Registrar and Transfer Agents, KFin Technologies Limited by sending an e-mail request at einward.ris@kfintech.com with the copy of the signed request letter mentioning the name, folio number and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g. Driving License, Election Identity Card, Passport) in support of the address of the Member and copy of the share certificate. |

# Board of Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the audited financial statements of Entertainment Network (India) Limited ['the Company'/ 'ENIL'] for the financial year ended March 31, 2022.

The financial statements for the year ended March 31, 2022 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter.

## 1. Financial Highlights

(₹ in lakhs)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Financial Year 2021-22 | Financial Year 2020-21 | Financial Year 2021-22 | Financial Year 2020-21 |
| Revenue from operations | 30,591.70 | 26,681.72 | 32,330.41 | 27,208.84 |
| Other income | 1,598.49 | 1,772.92 | 1,637.66 | 1,908.68 |
| Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense | 5,864.74 | 3,398.80 | 6,419.20 | 3,519.95 |
| Less: Depreciation/ Amortisation/ Impairment | 7,884.07 | 9,479.88 | 9,093.31 | 9,922.51 |
| (Loss) before Finance Costs, Exceptional items and Tax Expense | (2,019.33) | (6,081.08) | (2,674.11) | (6402.56) |
| Less: Finance Costs | 1,616.26 | 1,832.21 | 1,824.15 | 1,890.87 |
| (Loss) before Exceptional items and Tax Expense | (3,635.59) | (7,913.29) | (4,498.26) | (8,293.43) |
| Add/(less): Exceptional items | – | (7426.39) | – | (7,165.18) |
| (Loss) before Tax Expense | (3,635.59) | (15,339.68) | (4,498.26) | (15,458.61) |
| Less: Tax Expense (Current & Deferred) | (887.53) | (4,412.97) | (877.23) | (4,408.30) |
| (Loss) for the year | (2,748.06) | (10,926.71) | (3,621.03) | (11,050.31) |
| **Attributable to:** | | | | |
| Shareholders of the company | (2,748.06) | (10,926.71) | (3630.21) | (11,050.31) |
| Non-controlling interest | NA | NA | 9.18 | NA |
| Balance of profit for earlier years | 56.820.14 | 68,204.74 | 56,595.14 | 68,103.33 |
| Other comprehensive income/(Loss) for the year | (40.70) | 18.82 | (40.70) | 18.82 |
| Transfer to Legal Reserves | – | – | (3.92) | – |
| Dividend paid on Equity Shares | (476.70) | (476.70) | (476.70) | (476.70) |
| Balance carried forward | 53,554.68 | 56.820.15 | 52,443.60 | 56,595.14 |
| Non-controlling interest | – | – | 29.54 | 20.03 |

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

Total income of the Company increased from ₹ 28,454.64 lakhs during the previous year to ₹ 32,190.19 lakhs during the year under review. Loss after tax declined from ₹ (10,926.71) lakhs during the previous year to loss of ₹ (2,748.06) lakhs during the year under review.

On a consolidated basis, total income of the Company increased from ₹ 29,117.52 lakhs during the previous year to ₹ 33,968.07 lakhs during the year under review. Loss declined from ₹ (4,408.30) lakhs during the previous year to loss of ₹ (877.23) lakhs during the year under review.

FY22 was expected to be a year of recovery after a disastrous FY21. Plans were drawn up accordingly. There had been six months of relative calm on the Covid-19 front, from October 2020 to March 2021, and hopes were running high. FY22 did eventually show recovery over FY21, but unfortunately, it was only a partial recovery.

The reasons were the same as the ones that impacted business in FY21. Covid-19 destroyed the first quarter of FY22 as the Delta variant proved to be extremely infectious and dangerous. As cases spiked, the country's infrastructure was severely tested. There was a major crisis as hospitals ran out of beds. Deaths shot up and there were terrible stories of bodies being cremated in the open and pictures of unclaimed bodies floating in the Ganges. The Government at the Center and in the states responded as best as they could. They imposed lockdowns again, but this time in a more practical way, ensuring the business was disrupted lesser than in FY21. The focus was on vaccinating people at the fastest pace possible. Over the next few months, India

# Board of Directors' Report

hit some major global milestones on this front. By the end of June, Delta had been contained and our cities started reopening. The first quarter was unfortunately a washout for everyone.

As a result, your Company's revenues recovered only partially in Q1, growing 7% over the same quarter in FY21. However, the recovery gained strength in the 2nd and 3rd quarters. In Q2, revenue growth was 46% and in Q3, it was 17%.

Unfortunately, in Q4, Omicron struck, and the country again went into partial lockdowns in the major cities. Fortunately, however, Omicron proved to be a milder variant and by then, most people in the country had been single or double vaccinated. Governments had learnt smarter ways of protecting people without treacherous lockdowns and businesses had learnt how to grapple with these recurring Covid-19 waves. As a result, the impact of Covid-19 was less. Your Company managed to eke out a small growth in revenues of 0.3% in Q4, despite a near washout in the first half of the quarter.

Because of the crisis, advertisers had an upper hand over media companies, and they used it to extract discounts in pricing. After losing nearly 28% in pricing in FY21 (over FY20) for top 35 stations, your Company lost another 8% in FY22. Advertisers however did not take the savings home. They gave higher advertising volumes to your company. Capacity utilization across the top 35 stations grew handsomely by 31% and reached the pre-pandemic level. Ad volumes could have increased even more, had it not been for the stress in the MSME sector, which resulted in fewer ad billers in FY22. At an industry level, billers were down by 47% in Q1, 33% in Q2, 27% in Q3 and 23% in Q4 compared to the same quarters in FY20. The increase in ad volumes is a very positive sign. It shows that advertisers are looking at radio as a very important part of their media mix. As the MSME sector revives, ad volumes will grow even more, and this will allow a price recovery to take place.

Your Company's aggressive focus on cost management continued in FY22. There are two types of costs – one, Direct Variable Costs (DVC), which are incurred to run the Solutions business. The difference between Solutions revenues and DVCs is the Solutions margin. Happily, in FY22, Solutions margins improved marginally to 52% from 51.5% in FY21. The other costs are "Other operating costs" and they are what the Company spends in running the radio operations and everything else. Other Operating Costs have been a subject of intense focus since the pandemic started. You may recall that in FY21, we had cut these costs by 31% or ₹ 91 crore (from ₹ 294 crore to ₹ 203 crore). In FY22, we managed to keep cost increase from these reduced levels to just ₹ 13 crore. Included in this is ₹ 6 crore that we incurred in our new initiative, the digital app/web platform. On a like to like basis, cost increase was just ₹ 7 crore or 3% over FY21. In other words, costs were still down ₹ 78 crore over FY22 levels. In future as well, costs will remain an area of focus. Every rupee saved flows to the bottom line.

Now to the biggest development of FY22. Towards the end of the year, in February 2022, your Company launched the Mirchi app in international markets. The app is available on both iOS and Android platforms. The India launch and the launch of the web platforms, both mWeb and desktop web, will take place in the coming months. Early feedback from international markets shows that the app's UI/UX (User Interface/ Experience) is being widely appreciated. The app offers several FM radio stations. For example, in the US, the app features terrestrial radio stations from the US itself (New Jersey, San Francisco), and additionally, 12 FM radio stations from India, including Mirchi stations from Mumbai, Delhi, Ahmedabad, Chennai, Hyderabad and Chandigarh, all important places from where PIOs typically come. The India stations are time-shifted to suit US listeners. On-air ads have also been removed, so that local ads can be inserted. Similarly, in the Middle East, the app is available in the UAE, Qatar and Bahrain and features their local stations as well as the 12 from India. For PIOs living in these countries, the app is a way to stay connected with home.

The India app will have even more content. The app will carry all the best audio and video content from the Mirchi archives. Super hit audio shows like the Murga, the Devdutt Patnaik mythology show, celebrity interviews etc and big-ticket video shows like What Women Want featuring Kareena Kapoor Khan, content from the Mirchi Music Awards etc all will feature on the app. There is a plan to also add text content also, with all the buzzy news from film industries across the country. The focus of the app will however be on a specific opportunity in the content space – audio stories. While there are 50+ video OTTs all featuring fiction/entertainment, the market for audio stories is virtually vacant. Your Company is entering early and hopes to make it big in this fast-growing market.

Your Company's international operations also expanded with Dallas, Texas the latest entrant into our network of terrestrial stations in the US. International operations were also hit by Covid-19 but are now recovering. Your Company has plans to expand further, as suitable opportunities come around.

At the end of FY22, you will be happy to see that your Company is now so much more leaner and fitter. As growth revives, you can expect stronger profit margins. Your Company's digital platform plans will

# Board of Directors' Report

future-proof the company against any more Covid-19 like black swan events. They will also provide a new thrust to your Company's growth in the coming years. Your Company is increasingly becoming digital-first. There is a lot of growth to look forward to in the future.

There were no 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 these financial statements relate and the date of this Report. There has been no change in the nature of the business of the Company.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any bank or financial institution.

## 3. Transfer to reserves

The Board of Directors ('Board') of your Company has decided not to transfer any amount to the reserves for the financial year under review.

## 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, 2022, aggregating ₹ 476.70 lakhs. The dividend payment is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM). The Board of Directors has approved and adopted the Dividend Distribution Policy of the Company and dividend recommendation and payout are in accordance with the Company's Dividend Distribution Policy.

As per the Income-tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the Members. Your Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

The dividend, if declared at the AGM, would be paid within thirty days from the date of declaration of dividend through electronic mode to the Members who have updated their bank account details and dividend warrants/ demand drafts would be dispatched at the registered address of the Members who have not updated their bank account details, to those persons or their mandates:

- whose names appear as beneficial owners as at the end of the business hours on September 20, 2022 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 at the end of the business hours on September 20, 2022, in respect of the shares held in physical mode.

As per the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the dividend that remains unclaimed/unpaid/ un-encashed for a period of seven years and Equity Shares of the Company, in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government. Details of the unclaimed dividend amount is available on the Company website - www.enil.co.in at the url: https://www.enil.co.in/unclaimed-dividend.php. Calendar for transfer of unclaimed dividend to IEPF has been stated in the notes to the Notice convening the AGM. Pursuant to the guidelines issued by the IEPF Authority, Company Secretary has been nominated as the Nodal Officer to facilitate the refund of the claims of the unpaid (unclaimed) dividend (e-mail ID: mehul.shah@timesgroup.com).

The shareholders whose dividend / shares are/ will be transferred to the IEPF Authority can claim the same from IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority: http://www.iepf.gov.in at http://www.iepf.gov.in/IEPF/refund.html.

The Company has transferred ₹ 24,189, being the unpaid or unclaimed dividends declared for the financial year 2013-14 and 623 equity shares to the IEPF Authority as per the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Details of dividends and shares transferred to the IEPF Authority are available on the Company website- www.enil.co.in at the url: https://www.enil.co.in/unclaimed-dividend.php and also on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

## 5. Deposits

The Company has not accepted any deposit from the public / members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review. Consequently, there is no requirement of furnishing details related to deposit covered under Chapter V of the Companies Act, 2013.

# Board of Directors' Report

## 6. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 ('the Act') read with the applicable rules thereto, Mr. Prashant Panday (DIN: 02747925) retires by rotation at the ensuing AGM and being eligible, offers himself for reappointment. The Board of Directors recommends the reappointment of Mr. Prashant Panday as the Director of the Company.

The Company has received the consent, declarations and confirmations from all the Independent Directors of the Company pursuant to the provisions of Section 149 and all other applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become directors under the Act. All the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management. The Board of Directors took on record the said declarations and confirmations submitted by the Independent Directors under applicable provisions of the Act and the Listing Regulations after undertaking due assessment of the veracity of the same. 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.

The Board of Directors is of the opinion that all the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs at Manesar ('IICA'). All the Independent Directors have confirmed that they are exempted from undertaking online proficiency self-assessment test conducted by the IICA.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for directors and senior management personnel formulated by the Company.

The Company has received all the relevant consent, documents, declarations, confirmation from the director proposed to be re-appointed and he is not disqualified to become the director under the Act.

As per the requirement of the circular from the stock exchange (no: LIST/COMP/14/2018-19 Dated June 20, 2018), the Board of Directors and its Nomination and Remuneration Committee, while considering the appointment and re-appointment of the directors, have verified that they are not debarred from holding the office of director pursuant to any SEBI order or any other such authority. Accordingly, the Company affirms that the Director proposed to be re-appointed is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Certificate from the Company Secretary in Practice has been attached with the Report of Corporate Governance, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

As stipulated under the Listing Regulations and Secretarial Standards, details 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, shareholding, etc. are annexed to the Notice convening the AGM.

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: Executive Director & Group CFO
- Mr. Mehul Shah: EVP Compliance & Company Secretary

## 7. Annual evaluation of performance of the Board, its Committees and individual directors

The Board of Directors is committed to continued improvement in its effectiveness. Accordingly, the Board, its Committees and individual directors

# Board of Directors' Report

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.

Evaluation of the performance of the Board, its Committees and individual directors involved structured 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, meaningful and constructive contribution and inputs in the meetings, dynamics of the Board and its Committees and the relationship between the Board and management. Chairman of the Board of Directors had meetings with the Independent Directors. Chairman of the Nomination & Remuneration Committee had meetings with the Non- Independent Directors. Independent Directors, at their Meeting led by the Chairman of the Nomination & Remuneration Committee, reviewed the performance of the Chairman, Non-Independent Directors and the Board as a whole in respect of the financial year under review. The Independent Directors, in the said meeting, also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes. The evaluation of the Independent Directors was done by the entire Board of Directors which included performance of the Directors and fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management. In the above evaluation, the Directors who were subject to evaluation did not participate. The results of the evaluation were discussed with the relevant Committees and collectively by the Board as a whole. Constructive feedback was also sought on the contributions of individual Directors.

Formal Annual Evaluation was made in compliance with all the applicable provisions of the Act and the Listing Regulations. During the Board Evaluation, it was observed that the Board of Directors, as a whole, is functioning as an integrated body helping the board discussion to be rich and value adding. The Board has an optimum balance of discussion between operational and strategic issues. The Board is proactively engaged on the key matters concerning talent, strategy, governance, etc. There are specific areas identified by the Board as a part of this evaluation exercise for the Board to engage itself with. 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: https://www.enil.co.in at web link: https://www.enil.co.in/policies-and-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 is available on the Company's website at: https://www.enil.co.in at web link: https://www.enil.co.in/policies-and-code-of-conduct.php and also appended as *Annexure A* to this Report.

### 10. Vigil Mechanism

The Company has an adequate and functional '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 genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and seek 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. Vigil Mechanism provides adequate safeguards against victimization of persons who use such mechanism for whistle blowing in good faith and it also ensures that the interests of the person who uses such Mechanism are not prejudicially affected on account of such use. The Board of Directors affirms and confirms that no personnel have 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: https://www.enil.co.in at

# Board of Directors' Report

web link: https://www.enil.co.in/policies-and-code-of-conduct.php

## 11. Audit Committee

The Audit Committee of the Company consists 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)
- Ms. Sukanya Kripalu (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*.

## 12. CSR Committee

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

During the financial year under review, the Committee met on June 15, 2021.

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

- Formulating and recommending 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;
- Recommending the amount of expenditure to be spent on the CSR activities to be undertaken by the Company;
- Monitoring the CSR Policy of the Company from time to time;
- Formulating and recommending to the Board, an Annual Action Plan in pursuance of its CSR Policy, which shall include:
    - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - the manner of execution of such projects or programmes;
    - the modalities of utilisation of funds and implementation schedules for the Provided projects or programmes;
    - monitoring and reporting mechanism for the projects or programmes; and
    - details of need and impact assessment, if any, for the projects undertaken by the company;
    - Approving specific projects, either new or ongoing, in pursuance of the CSR Policy and the Annual Action Plan;
- Recommending to the Board any alteration in the Annual Action Plan approved by the Board along with reasonable justification;
- Monitoring, reviewing the progress of the CSR initiatives undertaken and reporting of the CSR activities to the Board from time to time;
- Satisfying the Board on the utilization of the funds disbursed for the purpose and in the manner approved by it;
- Reviewing and recommending to the Board, the Annual Report on CSR activities to be included in the Board's report;
- Reviewing and recommending to the Board, if and to the extent applicable, the need for impact assessment of the projects and appointment of impact assessment agency and the impact assessment report to be obtained by the Company from time to time;
- Undertaking such activities and carrying out such functions as may be provided under Section 135 of the Act and the rules issued thereunder.

**CSR Policy development and implementation:**

The CSR Policy is available on the Company's website at: https://www.enil.co.in at web link: https://www.enil.co.in/policies-and-code-of-conduct.php

CSR Policy Statement and Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been

# Board of Directors' Report

appended as *Annexure B* to this Report.

## 13. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company 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)
- Ms. Sukanya Kripalu (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 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 or disclaimer. The Statutory Auditors of the Company have not reported any details in respect of frauds as specified under Section 143(12) of the Act.

## 16. Auditors

The Members of the Company, at the Extraordinary General Meeting held on December 10, 2021, had approved the appointment of Walker Chandiok & Co LLP, Chartered Accountants ('Walker Chandiok') (ICAI Firm Registration number - 001076N/ N500013) as the Statutory Auditors of the Company to hold office till the conclusion of the twenty third Annual General Meeting (AGM). As stated in the notice of the said Extraordinary General Meeting, Walker Chandiok was appointed to fill the casual vacancy caused due to the resignation of the erstwhile Statutory Auditors - S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration number - 101049W/ E300004). The term of appointment of Walker Chandiok will expire at the conclusion of the twenty third AGM. The Board of Directors has considered, approved and recommended the appointment of Walker Chandiok as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the twenty third AGM till the conclusion of the twenty eighth AGM.

Walker Chandiok has provided their consent for appointment as the Statutory Auditors of the Company along with a certificate, under Section 139 of the Act, *inter-alia* stating that they satisfy the criteria provided in Section 141 of the Act. Other relevant information has been furnished at the Resolution No. 4 read with the explanatory statement of the Notice convening the AGM proposing the appointment of Walker Chandiok as the Statutory Auditors of the Company.

## 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 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is appended as *Annexure C-1* to this Report. The Secretarial Compliance Report for the financial year ended March 31, 2022 is appended as *Annexure C-2* to this Report.

The Secretarial Audit Report dated May 6, 2022 and Secretarial Compliance Report dated May 6, 2022 do not contain any qualification, reservation or adverse remark or disclaimer.

## 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, 2023. 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 ₹ 4,75,000

# Board of Directors' Report

(Rupees four lakhs seventy five 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. 5 of the Notice convening the AGM for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2023.

Maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, is required by the Company and accordingly, such accounts and records are made and maintained.

The Cost Audit Report for the financial year 2020-21 was filed on September 11, 2021. The Cost Audit Report for the financial year 2021-22 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:

(a) Conservation of energy:

(i) Steps taken or impact on conservation of energy and the steps taken by the Company for utilising alternate sources of energy:

- Energy Conservation: We increased the efforts already executed in the preceding years by regulating the electrical consumption at the transmitters, studios and offices, which has resulted in substantial savings in energy cost in the financial year under review.
- Optimization of office spaces: As a part of our continuous efforts in office space restructuring, we rationalised office space at more locations with an efficient office design using energy efficient electronic devices that has contributed in reduction of more than 40% in the energy consumption.
- We have maximized energy savings in AC units. We studied the air conditioner (AC) usage pattern in the studio and transmission sites and successfully reduced electricity consumption without any extra capital investment. AC units are set at optimum temperatures based on ambient conditions, e.g. Studio ACs are set at not lesser than 25 degrees temperature. This has helped achieve substantial savings. Transmitter power is optimally reduced in the night band when listenership is low, and the ambient temperature is lower. We continue to replace old conventional fixed speed ACs with Inverter/ VRV ACs for better energy savings.

(ii) Capital investment on energy conservation equipment: ₹ 58.63 lakhs

(b) Technology absorption:

(i) The efforts made towards technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution:

- Hub Station Optimization: Successfully implemented the first case of Hub station optimization at Pune for remote networked stations in Maharashtra, which was technologically achieved through Cloud streaming of audio content. This is a successful step towards centralized management and optimal use of manpower & resources. The other immediate effect of this has been the downsizing the Aurangabad office space and reduction in rentals and recurring operating expenses. This solution will soon be rolled out in other hub markets.
- Playout System Upgrade: We continued with the upgradation of our playout system to Zetta, adding 15 more Terrestrial stations this year with a focus on optimizing our broadcast network in the near future by using Zetta's network management capability. This should help us with Centralized Management and reduced operating costs with coverage of more stations.
- RCS ZettaCloud on Triton: Implemented RCS ZettaCloud for playout of 39 deferred streams of 13 FM stations in 3 different time zones (PST, EST, GST) on the Triton audio streaming platform for Mirchi App.
- Infrastructure enhancement: With the focus on Digital businesses, we expanded the infrastructure of our existing private cloud. This not only augmented our goal

# Board of Directors' Report

of space and energy savings, but also gave us the complete control of setting up new playout systems instantly by using the scalability & flexibility parameters of the private cloud

- Enterprise Wi-Fi Implementation: Migrated 3 more locations- Bangalore, Kolkata and Pune to Enterprise Wi-Fi, thereby enhancing productivity and strengthening security.
- Two Factor authentication implemented for WFH users using SSL VPN providing increased security to user data and systems

(ii) Imported technology (imported during last three years reckoned from the beginning of the financial year): The Company has not imported any new technology in this financial year. Nevertheless, the Company has continued to use the latest equipment and software for its business activities.

(iii) The expenditure incurred on Research & Development *(R & D):*

The Company has not spent any amount towards research and development activities. The Company has been active in harnessing the latest technology available in the industry.

(c) 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 2021-22 | Financial Year 2020-21 |
|---|---|---|
| Foreign exchange earnings | 643.91 | 1,652.02 |
| Foreign exchange outgo | 1,212.05 | 1,082.85 |

## 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 and Executive Director of the Company do not receive any remuneration or commission from the Company's holding or subsidiary companies.

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 second 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 by the Members in electronic mode basis the request being sent on enil.investors@timesgroup.com without payment of fee and same will also be available during the 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.

## 21. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company is available at the Company's website: (https://www.enil.co.in) at url: https://www.enil.co.in/financials-annual-reports.php.

## 22. Share Capital & Listing of Securities

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

- any shares, debentures, bonds, warrants or securities;
- 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.

During the financial year under review, the Company has not bought back its shares, pursuant to the provisions of Section 68 of the Companies Act, 2013 and Rules made thereunder.

No shares are held in trust for the benefits of employees. There is no change in the capital structure of the Company during the financial year under review.

The equity shares of the Company are listed 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 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.

# Board of Directors' Report

The Company has adopted the Integrated Reporting. The information related to the Integrated Reporting forms part of the Management Discussion & Analysis and Integrated Reporting has also been hosted on the website of the Company: (https://www.enil.co.in) at url: https://www.enil.co.in/financials-annual-reports.php.

## 24. Business Responsibility Report

As per the Regulation 34 of the Listing Regulations, the Company has published a separate *Business Responsibility Report* ('BRR') for the financial year under review. 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 E* 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. Secretarial Standards

The Company complies with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

## 27. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts for the financial year ended on March 31, 2022, the applicable accounting standards have been followed and that there are no material departures from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2022 and of the loss of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 28. 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.

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/ transactions in the future too.

In compliance with Regulation 23 of the Listing Regulations, Members of the Company granted approval for the contracts/ arrangements/ transactions entered into and/ or to be entered into with BCCL relating to the transfer and / or availing of resources, services or obligations, for each of the five financial years of the Company commencing from April 1, 2020, exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company but not exceeding the aggregate value of ₹ 200 crore (Rupees two hundred crore only) per annum, on such terms and conditions as may be mutually agreed between the Company and BCCL.

Details of the *Material Related Party Transactions* 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 F* 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 (url: https://www.enil.co.in/policies-and-code-of-conduct.php).

# Board of Directors' Report

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.

## 29. 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 G* to this Report and also uploaded on the Company's website at www.enil.co.in (url: https://www.enil.co.in/policies-and-code-of-conduct.php).

## 30. 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 2021-22 are provided in the financial statements. Please refer to the Note 8 to the standalone financial statements for details of investments made by the Company.

## 31. Risk Management

The Board of Directors is responsible for ensuring that the Company has appropriate systems of control in place - in particular, systems for risk management, financial and operational control, and compliance with the laws and relevant standards. Accordingly, the Board oversees the framing, implementing and the monitoring of the risk management plan for the Company. The Board also ensures the integrity of the Company's accounting and financial reporting systems, including the independent audit.

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 for the financial year under review has been carried out by Deloitte Touche Tohmatsu India Limited Liability Partnership ('Deloitte'), the independent Internal Auditors. Internal Audit covers key radio stations at pan India level and the 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.

The Company has adopted a Risk Management Policy pursuant to the provisions of Section 134 and all other applicable provisions of the Companies Act, 2013 and Listing Regulations and also established related procedures to inform Board Members about the risk assessment and minimization procedures. The Company has a strong Enterprise Risk Management framework which is administered by the Senior Management team and monitored by the Risk Management Committee. Major risks are identified and the mitigation measures are put in place, and the same are also reported to the Audit Committee and Board of Directors along with the *action taken report*. The 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 Risk Management Committee of the Company comprises of the following members as on the date of this Report:

- Mr. Vineet Jain (Non- Executive Chairman)
- Mr. Prashant Panday (Managing Director & CEO)
- Mr. N. Subramanian (Executive Director & Group CFO)
- Mr. N. Kumar (Independent Director) – inducted with effect from June 15, 2021
- Mr. Nandan Srinath (Executive President) – inducted with effect from June 15, 2021

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

## 32. Internal Financial Controls

The Company has adopted the policies and procedures 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.

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

# Board of Directors' Report

the adequacy and effectiveness of the Company's internal control system including internal financial controls.

## 33. Consolidated Financial Statements

In accordance with the Companies Act, 2013 and applicable accounting standards, the audited consolidated financial statements are provided and form part of the Annual Report.

## 34. Subsidiary Companies

The Company has the following subsidiaries:

- Alternate Brand Solutions (India) Limited (ABSL), a 100% subsidiary based in India. ABSL recorded a total income of ₹ 89.52 lakhs during the financial year ended March 31, 2022. Profit after Tax stood at ₹ 32.57 lakhs for the financial year ended March 31, 2022.
- Entertainment Network, INC (EN, INC) and a step-down subsidiary, Entertainment Network, LLC (EN, LLC) based in the United States of America. EN, INC is a 100% subsidiary of the Company. EN, LLC is the 100% subsidiary of EN, INC. EN, INC recorded a total consolidated income of ₹ 1,000.46 lakhs during the financial year ended March 31, 2022. Consolidated loss after Tax stood at ₹ (617.88) lakhs for the financial year ended March 31, 2022.
- Global Entertainment Network Limited (GENL) (A company incorporated under the laws of the State of Qatar having its registered office in Doha, Qatar). In March 2021, the Company acquired 49% equity of GENL. The remaining 51% of equity stake is owned by another Company (Marhaba FM). Basis the shareholding agreement executed by the Company with Marhaba FM, the Company has controlling interest over GENL. As a result, the investment made in GENL is treated as an investment in subsidiary as per Ind AS 110- Consolidated Financial Statements. GENL recorded a total income of ₹ 472.86 lakhs during the financial year ended March 31, 2022. Profit after Tax stood at ₹ 38.03 lakhs for the financial year ended March 31, 2022.
- Mirchi Bahrain WLL based in the Kingdom of Bahrain, a 100% subsidiary of the Company. Mirchi Bahrain WLL became a wholly owned subsidiary of the Company in April 2021. Mirchi Bahrain WLL recorded a total income of ₹ 393 lakhs during the period ended March 31, 2022. Consolidated loss after Tax stood at ₹ (315.43) lakhs for the period ended March 31, 2022.

As per Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the Subsidiary Companies is 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 subsidiaries.

The Company shall make available the financial statements and the related detailed information of its subsidiaries to any Member of the Company or its subsidiaries 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. These documents will also be available for inspection by the Members in electronic mode basis the request being sent on enil.investors@timesgroup.com without payment of fee and same will also be available during the AGM. The consolidated financial statements presented by the Company include financial results of its Subsidiary Companies.

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.

The Policy for determining material subsidiaries is available at the Company's website: www.enil.co.in at https://www.enil.co.in/policies-and-code-of-conduct.php

## 35. Significant and 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.

## 36. 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. For building awareness in this area, the Company has been conducting induction/ refresher programmes on a continuous basis. The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and the Company has complied with the applicable provisions of the said Act. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year under review, two complaints pertaining

# Board of Directors' Report

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

## 37. Acknowledgements

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 for the consistent contribution made by the employees at all levels through their hard work, dedication, solidarity and co-operation.

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

*sd/-*

**Vineet Jain**
*Chairman*
(DIN: 00003962)

Mumbai, May 6, 2022

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

www.enil.co.in

# Board of Directors' Report

## Annexure A to the Board of 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, submit a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and clause (b) of sub-regulation (1) of regulation 16 of the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence and that they are independent of the management.

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 include 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 Personnel and other employees)

# Board of Directors' Report

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)

Mumbai, May 6, 2022

# Board of Directors' Report

## Annexure B to the Board of Directors' Report

### Corporate Social Responsibility (CSR) policy statement

1. **Philosophy and Commitment**

   Even long before the Indian Parliament decided to enact Corporate Social Responsibility (**CSR**) as a mandatory obligation through the Companies Act, 2013 ('the Act') in the manner provided in the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') as amended from time to time, on companies meeting certain threshold criteria, the philosophy and commitment to CSR has historically been ingrained in the DNA of Entertainment Network (India) Limited (**ENIL/ Company**) throughout. The Times Group and ENIL have always been in the forefront of undertaking and supporting social causes on an entirely voluntary basis, be it education, social upliftment, or relief and rehabilitation in the aftermath of natural calamities, or the like. The Times Group, and ENIL consider CSR as their 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').

2. **Objective**

   ENIL'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.

3. **Guiding Principles and Approach**

   The Times Group and the Company strongly believe that CSR is the process by which an organization thinks about and evolves its relationships with its various stakeholders for the common good of all and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, in the Company's view, CSR is not charity or mere donations.

   On the other hand, the Company acknowledges that CSR to be a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth. Through this Policy, the Company expresses its deep faith in this philosophy.

   As part of its CSR Program, the Company intends to promote initiatives, briefly stated, which:

   - are sustainable and create a long term impact/ change;
   - have specific and measurable goals in alignment with ENIL's philosophy; and
   - address the most deserving causes and beneficiaries.
   - are dynamic and responsive to the social environment and the company's business objectives.

4. **Composition of the CSR Committee**

   The CSR Committee shall consist of three or more directors, out of which at least one director shall be an independent director as per the requirement of Section 135 of the Act and the CSR Rules made thereunder.

5. **Responsibilities of the CSR Committee**

   - Formulating and recommending to the Board of Directors ('Board') the CSR Policy;
   - Recommending the amount of expenditure to be spent on the CSR activities to be undertaken by the Company;
   - Monitoring the CSR Policy of the Company from time to time;
   - Formulating and recommending to the Board, an Annual Action Plan in pursuance of its CSR Policy, which shall include the following, viz.:-
     - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
     - the manner of execution of such projects or programmes;
     - the modalities of utilisation of funds and implementation schedules for the Provided projects or programmes;
     - monitoring and reporting mechanism for the

# Board of Directors' Report

  projects or programmes; and

  - details of need and impact assessment, if any, for the projects undertaken by the company.

- Approving specific projects, either new or ongoing, in pursuance of the CSR Policy and the Annual Action Plan;
- Recommending to the Board any alteration in the Annual Action Plan approved by the Board along with reasonable justification;
- Monitoring, reviewing the progress of the CSR initiatives undertaken and reporting of the CSR activities to the Board from time to time;
- Satisfying the Board on the utilization of the funds disbursed for the purpose and in the manner approved by it;
- Reviewing and recommending to the Board, the Annual Report on CSR activities to be included in the Board's report;
- Reviewing and recommending to the Board, if and to the extent applicable, the need for impact assessment of the projects and appointment of impact assessment agency and the impact assessment report to be obtained by the Company from time to time;
- Undertaking such activities and carrying out such functions as may be provided under Section 135 of the Act and the rules issued thereunder.

## 6. CSR Spend

In accordance with the provisions of Section 135 of the Act, the Company shall endeavour to spend, in every financial year, at least two per cent of the average net profit of the Company made during the three immediately preceding financial years on CSR activities, projects and programs as mentioned in the Schedule VII of the Act, as amended from time to time.

If the Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, in accordance with the provisions of Section 135 of the Act. If the Company spends an amount in excess of the requirements provided under Section 135 of the Act, the Company may set off such excess amount against the requirement to spend, for such number of succeeding financial years and in such manner as per the provisions of Section 135 of the Act.

The Board shall satisfy that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

## 7. CSR activities

- CSR means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act, in accordance with the provisions contained in the CSR Rules, as amended from time to time.
- The Board shall ensure that the CSR Activities that are undertaken by the Company will cover the areas / activities specified in Schedule VII of the Act, read with CSR Rules as amended from time to time. Schedule VII of the Act shall stand revised and updated from time to time in line with any amendments/ inclusions/ exclusions made by the Government from time to time.
- The CSR Activities will be carried out in a manner that the preference will be to undertake the CSR Activities in and around the local areas where the Company operates or has its presence.
- Based on the scope of activities set out in Schedule VII of the Act, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
- In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
- Based on the recommendations of the CSR Committee, the Board shall approve the following:
  - The specific CSR Activities that should be undertaken by the Company from time to time;
  - The amount that should deployed towards such CSR Activity;
  - Whether the CSR Activities will be undertaken directly by the Company or through an Implementing Agency or in collaboration with any other companies and record reasons for the same.

## 8. Implementation of the CSR

- The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are undertaken by the Company itself or through one or more of the instrumentalities or modalities in accordance with the applicable provisions of Section 135 of the Act, read with the CSR Rules.

# Board of Directors' Report

- In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

## 9. Monitoring Process

- To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount disbursed towards CSR Activities shall be reported by the CSR Committee on an annual basis, in such manner as the Board may direct.
- In the event any of the CSR Activities are undertaken through an Implementing Agency, the CSR Committee shall obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to the Board on an annual basis, in such manner as the Board may direct.
- The CSR Committee shall be responsible for the process of Impact Assessment (IA) of the projects of the Company, if and to the extent applicable as per the Act and CSR Rules, including deciding the frequency/ manner of conducting IA, appointment of IA Agency and placing the IA Report to the Board for its noting and approval. The outcome of impact assessment and progress reports submitted, will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year.
- Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the CSR Rules.

## 10. Reporting/ Record Keeping & Disclosures

- The CSR Committee shall maintain proper minutes of all its meetings.
- The Board's report of the Company shall include an annual report on CSR, containing the particulars as may be prescribed from time to time under the Act and the CSR Rules.
- The Board will be responsible to ensure that:
  - The Board's report includes the annual report on CSR Activities of the Companyand sets out the requisite information in terms of the Act and CSR Rules;
  - The contents of the latest and updated version of the CSR Policy are included in the Board's report;
  - The contents of this Policy are also made available on the website of the Company in terms of the Act and CSR Rules.

## 11. Amendment to the Policy

Amendments to the Policy, if any, shall be considered by the Board on the recommendation of the CSR Committee.

## 12. Compliance with the Law

For all such matters as may not be specifically mentioned in this Policy, the Company shall comply with the applicable provisions of the Act, CSR Rules and the notifications, circulars, guidelines, etc. issued thereunder. Provisions contained in the Act, rules, regulations, notifications, circulars, guidelines, as applicable, shall prevail over anything contained in this Policy to the extent latter is contrary to the former. Words and expressions used in this Policy shall have the same meanings assigned to them in the Act and CSR Rules thereto.

The constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations of the 'Corporate Social Responsibility Committee' shall always be in conformity with the provisions of the Act (including amendments thereof from time to time) and any amendments in the aforesaid Act, rules, etc. shall be deemed to form part of this CSR Policy.

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

| | |
|---|---|
| *sd/-* | *sd/-* |
| **Prashant Panday** | **Vineet Jain** |
| *Managing Director & CEO* | *Chairman of the CSR Committee* |
| (DIN: 02747925) | (DIN: 00003962) |

Mumbai, May 6, 2022

# Board of Directors' Report

## Annual report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22:

**(Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)**

1. **Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:**

   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 at https://www.enil.co.in/policies-and-code-of-conduct.php

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

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Vineet Jain | Non-Executive Chairman | 1 | 1 |
| 2 | Mr. Ravindra Kulkarni | Independent Non- Executive Director | 1 | 1 |
| 3 | Mr. Prashant Panday | Managing Director & CEO | 1 | 1 |

3. **Web-link** where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:
   Composition of Committee is available at: https://www.enil.co.in/board-of-directors.php

   CSR Policy and project approved are available at: https://www.enil.co.in/policies-and-code-of-conduct.php

4. **Impact Assessment of CSR projects:** Not applicable

5. **Details of the amount available** for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: No amount is available for set-off.

| S. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| 1 | Prior to Financial Year 2021-22 | Nil | Nil |

6. **Average net profit of the company as per Section 135(5):** ₹ 2,000 lakhs.

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 40 lakhs.

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a + 7b – 7c) = ₹ 40 lakhs

# Board of Directors' Report

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in lakhs) | Amount Unspent (₹ in lakhs) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 40.00 | Not Applicable | | | | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

₹ in lakhs

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
| Not Applicable | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

₹ in lakhs

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| S. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project State & District | Amount spent for the project (₹ in lakhs.)* | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency |
| 1 | Construction of Hostel Block C4,C5, C6 at Bennett University's Campus | Promoting education, including special education and employment enhancing vocational skills | Yes | Greater Noida, Uttar Pradesh | 40.00 | Direct- Bennett University | No |
| | **TOTAL** | | | | **40.00** | | |

* Amount has been contributed during the financial year under review.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = ₹ 40.00 lakhs

(g) Excess amount for set off, if any: Nil

| S. No. | Particular | Amount (₹ In lakhs) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per Section 135(5) | 40.00 |
| (ii) | Total amount spent for the Financial Year | 40.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

# Board of Directors' Report

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹ lakhs) | Amount spent in the reporting Financial Year (in ₹ lakhs) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹ lakhs) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹ lakhs) | Date of transfer | |
| Not Applicable | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹ lakhs) | Amount spent on the project in the reporting Financial Year (in ₹ lakhs) | Cumulative amount spent at the end of reporting Financial Year (in ₹ lakhs) | Status of the project - Completed / Ongoing |
| Not Applicable | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Asset-wise details:

(a) Date of creation or acquisition of the capital asset(s): Hostel Blocks construction completed in December 2021.

(b) Amount of CSR spent for creation or acquisition of capital asset: ₹ 40.00 lakhs

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Bennett University, Plot Nos. 8-11, Tech Zone II, Greater Noida 201310, Uttar Pradesh.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): The funds contributed by the Company to Bennett University has been utilized by Bennett University in the construction of Hostel Block C4, C5, C6 at its Campus located at Plot Nos. 8-11, Tech Zone II, Greater Noida 201310, Uttar Pradesh.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): The Company has completed contributing its CSR obligation in full for the Financial Year 2021-22.

CSR Committee confirms that the implementation and monitoring of CSR Policy is in 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 of the CSR Committee* |
| (DIN: 02747925) | (DIN: 00003962) |

Mumbai, May 6, 2022

# Board of Directors' Report

## Annexure C-1 to the Board of Directors' Report

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Financial year ended 31st March 2022

[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,
4th 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 31st March 2022 ("the Audit Period") generally 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 31st March 2022, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(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;

(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, 2018 (Not Applicable to the Company during the Audit Period);

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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 upto August 08, 2021 and thereafter the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period);

  (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 upto August 08, 2021 and thereafter the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Review Period);

  (g) 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(Not Applicable to the Company during the Audit Period);

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

# Board of Directors' Report

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not 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.

**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. There were no changes in the composition of the Board of Directors during the period under review.

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
UDIN: F003477D000279709

New York, USA, May 06, 2022

# Board of Directors' Report

## Annexure C-2 to the Board of Directors' Report

**Secretarial Compliance Report of Entertainment Network (India) Limited for the year ended 31st March, 2022**

I, Hemanshu Kapadia, Proprietor of **Hemanshu Kapadia & Associates** Practicing Company Secretaries, having office at Office No. 12, 14th Floor, Navjivan Commercial Co-op Soc. Ltd. Building No.3, Lamington Road, Mumbai, Maharashtra 400008, have examined the following as under:

(a) all the documents and records made available to me and explanation provided by ENTERTAINMENT NETWORK (INDIA) LIMITED ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (Not Applicable to the Company during the Audit Period);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) As confirmed by the management, there were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

# Board of Directors' Report

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observation made in the Secretarial Compliance Report for the Year Ended | Action taken by the Listed Entity, If Any, | Comments of the Practicing Company Secretary on the actions taken by the Listed Entity |
|---|---|---|---|---|
| | | Nil | | |

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

*sd/-*

**Hemanshu Kapadia**
Proprietor
C.P. No.: 2285
Membership No.: F3477
UDIN: F003477D000279720

New York, USA, May 6, 2022

# Board of Directors' Report

## Annexure D to the Board of 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**

1. 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 2021-2022:

**Details for the financial year 2021-2022:**

| 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. N. Kumar- Independent Director | 3.46 | 15.38 |
| 3 | Mr. Ravindra Kulkarni- Independent Director$ | 2.90 | (5.86) |
| 4 | Mr. Richard Saldanha- Independent Director | 3.46 | 15.38 |
| 5 | Ms. Sukanya Kripalu- Independent Director | 3.46 | 15.38 |
| 6 | Mr. Prashant Panday- Managing Director & CEO | 64.71 | 45.50 |
| 7 | Mr. N. Subramanian- Executive Director & Group CFO | 76.05 | 22.39 |
| 8 | Mr. Mehul Shah- EVP- Compliance & Company Secretary | Not applicable | 13.97 |

$ The sitting fees and commission were paid/payable to Khaitan & Co., in which Mr. Ravindra Kulkarni is a partner.

* Financial year 2020-21 is not comparable, since increment was frozen and pay-cut was implemented for the employees during the said year.

2. The percentage decrease in the median remuneration of employees in the financial year 2021-22 was 17.97 %.

3. The number of permanent employees on the rolls of the Company as on March 31, 2022 were 965.

4. Average percentage decrease in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 16.4 %.

   Increase in the remuneration is guided by the Company's Nomination & Remuneration policy.

5. 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)

Mumbai, May 6, 2022

# Board of Directors' Report

## Annexure E to the Board of 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: 4th Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.
4. Website: www.enil.co.in
5. E-mail id: enil.investors@timesgroup.com
6. Financial Year reported: April 1, 2021 to March 31, 2022
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, Media Solutions
9. Total number of locations where business activity is undertaken by the Company:
   (i) Number of International Locations (Provide details of major 5): The Company has set up two US based entities, i.e., Entertainment Network, INC - wholly owned subsidiary of the Company, and Entertainment Network, LLC- wholly owned subsidiary of Entertainment Network, INC. The Company has acquired 49% equity of Global Entertainment Network Limited, in Doha, Qatar. Mirchi Bahrain WLL based in the Kingdom of Bahrain, a 100% subsidiary of the Company - became a wholly owned subsidiary of the Company in April 2021.
   (ii) Number of National Locations: 73 radio stations (63 locations) as on March 31, 2022.
10. Markets served by the Company - Local/State/National/International: India, USA, UAE- Dubai, Qatar and Bahrain.

### Section B: Financial Details of the Company

1. Paid up Capital (INR): ₹ 4,767.04 lakhs
2. Total Turnover (INR): ₹ 30,591.70 lakhs
3. Total loss after taxes (INR): ₹ (2,748.06) 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 Board of Directors' Report (Annual Report on CSR activities).

### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, the Company has the following subsidiaries:

   - Alternate Brand Solutions (India) Limited (ABSL), a 100% subsidiary based in India.
   - Entertainment Network, INC (EN, INC) and a step-down subsidiary, Entertainment Network, LLC (EN, LLC) based in the United States of America. EN, INC is a 100% subsidiary of the Company. EN, LLC is the 100% subsidiary of EN, INC.
   - Global Entertainment Network Limited (GENL) (A company incorporated under the laws of the State of Qatar having its registered office in Doha, Qatar). In March 2021, the Company acquired 49% equity of GENL. The remaining 51% of equity stake is owned by another Company (Marhaba FM). Basis the shareholding agreement executed by the Company with Marhaba FM, the Company has controlling interest over GENL. As a result, the investment made in GENL is treated as an investment in subsidiary as per Ind AS 110- Consolidated Financial Statements.
   - Mirchi Bahrain WLL based in the Kingdom of Bahrain, a 100% subsidiary of the Company. Mirchi Bahrain WLL became a wholly owned subsidiary of the Company in April 2021.
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 and various other *in house* policies for directors and employees of the Company. The code and other *in house* policies are followed by the subsidiaries, as applicable.
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

# Board of Directors' Report

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 and thereafter 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:

- DIN: 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 | 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 & Economic 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 been 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 been 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 |

# 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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? | https://www.enil.co.in/policies-and-code-of-conduct.php<br><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. | | | | | | | | |
| 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? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

(b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options): N.A.

**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, reviews 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 E* to the Board of Director's Report. BRR is published annually.

## Section E: Principle-wise performance

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

1. 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?

   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.

2. 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, two complaints pertaining to sexual harassment were reported to the Internal Complaints Committee of the Company. After detailed investigation and following due procedure under the applicable law, guidelines and regulations, said complaints were appropriately dealt with during the financial year under review and appropriate action was taken.
   - During the financial year under review, 49 shareholders' complaints/ queries, etc. were received and same were resolved as on March 31, 2022.

# Board of Directors' Report

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

1. 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 Media Solutions and is complying with the guidelines issued by the Ministry of Information & Broadcasting and advertising code as amended 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. Nevertheless, for relevant information, as applicable, kindly refer to the Para 19 of the Board of Directors' Report titled as 'Conservation of Energy, Technology absorption and Foreign Exchange earnings and Outgo'.

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 and Media Solutions. 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. 965 (as on March 31, 2022)

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. Over and above 965 employees on the rolls, 32 persons were hired on contractual basis (as on March 31, 2022)

3. Please indicate the Number of permanent women employees: 303 (as on March 31, 2022)

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 is 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 | Two | 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: 97%
    - Permanent women employees: 99%
    - Casual/ temporary/ contractual employees: 100%
    - 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?

    Through its CSR activities, ENIL funds education in a big way. It donates to Bennett University in this regard. Students are the future of India, and any and every assistance to them is a step towards nation building.

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.

    Kindly refer to para 2 above.

**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 relevant 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, 49 shareholders' complaints/ queries, etc. were received and same were resolved (100%) as on March 31, 2022.

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

1. Does the policy relate 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 subsidiaries 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 environmentally 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.

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) Media Research Users Council

2. Have you advocated/lobbied through above

# Board of Directors' Report

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):

We continue to work, along with industry bodies for the faster growth of the FM radio medium. The Company and trade bodies have historically provided support to the government for any special initiatives that it has taken, especially during times of crises like floods, terrorist attacks etc. In the Covid-19 crisis, the Company and AROI worked together to get government support to the sector and also did research to prove how FM was doing well during the lockdown.

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

3. Have you done any impact assessment of your initiative?

   Provisions relating to the Impact assessment of CSR initiatives under sub-rule (3) of rule 8 of the Companies (CSR Policy) Rules 2014 are not applicable to the Company. Nevertheless, assessment 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 Board of 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)

   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?

   For most of the year our research partner was not able to conduct any research such as Car track, Brand track and AMT. But closer to end of the year, as market opened up & general lifestyle came back to normal, we initiated Car tracks & AMTs. Reports are expected to be out by August 2022 end. As we move forward to becoming more of a digital company, we are also looking at changing our research pattern and do more digital research. We recently did a Focused Group Discussion across five cities to understand how content is consumed via digital devices.

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

*sd/-*

**Vineet Jain**
Chairman
(DIN: 00003962)

Mumbai, May 6, 2022

# Board of Directors' Report

## Annexure F to the Board of Directors' Report

### Form AOC 2 for the Financial Year 2021-22

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length 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, 2022, 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower).

   (a) Name(s) of the related party and nature of relationship: Bennett, Coleman & Company Limited ['BCCL'] – Holding Company.

   (b) Nature of contracts/arrangements/transactions: Sales of the Company's advertisement inventory and other media inventory, purchase of media inventory, payment of royalty for use of music and content, sharing of common cost, shared services, receiving and rendering of services, payment and receipt of office rent and maintenance, leasing and/or sale and/ or purchase of assets, etc.

(₹ in lakhs)

| Nature of arrangements / transactions entered into during the financial year 2021-22 | Value |
|---|---|
| Sales | 3,826.27 |
| Rendering of services | 146.80 |
| Receiving of services | 507.23 |
| **Total** | **4,480.30** |

   (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: June 19, 2020.

   (f) Amount paid as advances, if any: Nil.

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

*sd/-*

**Vineet Jain**
*Chairman*
(DIN: 00003962)

Mumbai, May 6, 2022

# Board of Directors' Report

## Annexure G to the Board of 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 / 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:

# Board of Directors' Report

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 pay-out 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 pay-out 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 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

# Board of Directors' Report

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)

Mumbai, May 6, 2022

# 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 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Pursuant to the provisions of Regulation 34 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ['Listing Regulations'], a report on Corporate Governance for the financial year ended March 31, 2022 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 and codes in accordance with the applicable provisions of the Companies Act, 2013 ('the Act') 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 designated persons and immediate relatives of designated persons
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility ('CSR') Policy
- Dividend Distribution Policy
- Nomination and Remuneration Policy
- Policy and procedures for inquiry in case of leak of unpublished price sensitive information
- 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 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 ('Board') of the Company comprises of 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 of seven 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.

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

# Report on Corporate Governance

companies are as follows:

| Name of the Directors | Category | No. of other Directorships@ | Committee positions @ | | List of Directorship held in other listed companies and category of directorship |
|---|---|---|---|---|---|
| | | | Member | Chairman | |
| Mr. Vineet Jain [DIN: 00003962] | Non- Executive Chairman | 6 | 0 | 0 | – |
| Mr. N. Kumar [DIN: 00007848] | Independent Non- Executive | 7 | 7 | 4 | Independent Non – Executive Director on the Board of Larsen & Toubro Limited, L & T Technology Services Limited, Take Solutions Limited, Mphasis Limited, Independent Non – Executive Director & Chairman on the Board of Indus Towers Limited |
| Mr. Ravindra Kulkarni [DIN: 00059367] | Independent Non- Executive | 2 | 3 | 1 | Independent Non – Executive Director on the Board of Elantas Beck India Limited |
| Mr. Richard Saldanha [DIN: 00189029] | Independent Non- Executive | 6 | 7 | 2 | Independent Non – Executive Director on the Board of Gokaldas Exports Limited |
| Ms. Sukanya Kripalu [DIN: 06994202] | Independent Non- Executive | 5 | 8 | 0 | Independent Non – Executive Director on the Board of Aditya Birla Fashion & Retail Limited, Ultratech Cement Limited and Colgate-Palmolive (India) Limited |
| Mr. Prashant Panday [DIN: 02747925] | Managing Director & CEO | 1 | 1 | 0 | – |
| Mr. N. Subramanian [DIN: 03083775] | Executive Director & Group CFO | 6 | 1 | 0 | – |

@ Committee Membership count will include the count in which the director is Chairman on the committee.

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 2021-2022 Attendance at | | | | | |
|---|---|---|---|---|---|---|---|
| | | Board Meeting | Audit Committee Meeting | Nomination & Remuneration Committee Meeting | Stakeholders Relationship Committee Meeting | CSR Committee Meeting | Risk Management Committee |
| Mr. Vineet Jain | Yes | 6 of 6 | N. A. | 6 of 6 | N. A. | 1 of 1 | 2 of 2 |
| Mr. N. Kumar | Yes | 6 of 6 | 5 of 5 | 6 of 6 | N. A. | N. A. | 2 of 2 |
| Mr. Ravindra Kulkarni | Yes | 5 of 6 | 4 of 5 | 5 of 6 | 3 of 4 | 1 of 1 | N. A. |
| Mr. Richard Saldanha | Yes | 6 of 6 | 5 of 5 | 6 of 6 | 4 of 4 | N. A. | N. A. |
| Ms. Sukanya Kripalu | Yes | 6 of 6 | 5 of 5 | 6 of 6 | N. A. | N. A. | N. A. |
| Mr. Prashant Panday | Yes | 6 of 6 | N. A. | N. A. | 4 of 4 | 1 of 1 | 2 of 2 |
| Mr. N. Subramanian | Yes | 6 of 6 | N. A. | N. A. | N. A. | N. A. | 2 of 2 |

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.

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

Six Board Meetings were held during the financial year under review, the dates of which were: 5 April 2021, 15 June 2021, 13 August 2021, 26 October 2021, 9 February 2022 and 23 February 2022.

The Twenty Second Annual General Meeting was held on 28 September 2021 and one Extraordinary General Meeting was held on December 10, 2021, which were attended by all the Directors.

# Report on Corporate Governance

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors of the Company was held during the financial year under review, without the attendance of Non-Independent Directors and Members of the management. The meeting deliberated on various matters as mandated under Schedule IV of the Act and also:

- reviewed the performance of the Non-Independent Directors and the Board of Directors as a whole,
- reviewed the performance of the Chairman of the Company, taking in to account the views of the Executive Directors and Non-Executive Directors, and,
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

**(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, 2022 and as on the date of this Report.

**(f) Weblink where details of familiarization programmes imparted to independent directors is disclosed:** As stipulated under Regulation 25 of the Listing Regulations, the Company familiarizes its Independent Directors on their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme for Independent Directors is disclosed on the Company's website at: https://www.enil.co.in/policies-and-code-of-conduct.php

**(g)** The Board has identified the following core skills/ expertise/ competencies as required in the context of the Company's business and sector to function effectively and which are available with the Board of Directors:

| Name of the Director | Skills / expertise/ competencies in specific functional area |
|---|---|
| Mr. Vineet Jain | Leadership, Global business, Financial, Business strategy, Media & Entertainment expertise, Understanding Company's business, policies, culture, Behavioral & HR skills |
| Mr. N. Kumar | Global business, Financial, strategy |
| Mr. Ravindra Kulkarni | Legal expertise including international law, corporate law, Governance, Financial, Mergers & acquisitions |
| Mr. Richard Saldanha | Business strategy, Financial |
| Ms. Sukanya Kripalu | Business strategy, Sales & Marketing, advertising and market research |
| Mr. Prashant Panday | Media & Entertainment expertise, Business strategy, Financial, Understanding Company's business, policies, culture, Behavioral & HR skills, stakeholders engagement, commercial experience |
| Mr. N. Subramanian | Media & Entertainment expertise, Business Strategy, Legal, finance, tax expertise, Understanding Company's business, policies, culture, Merger & Acquisition and Capital markets, stakeholders engagement, commercial experience |

**(h) Confirmation about the Independent Directors:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and the Companies Act, 2013, and they are independent of the management.

**(i)** 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.

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

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

# Report on Corporate Governance

## 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 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.

# Report on Corporate Governance

- 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
- 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

# Report on Corporate Governance

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 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)
- Ms. Sukanya Kripalu (Independent Non-Executive Director)

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 five times, i.e. on 5 April 2021, 15 June 2021, 13 August 2021, 26 October 2021 and 9 February 2022. 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 specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 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.
- to formulate the criteria for evaluation of performance of independent directors and the Board of Directors.
- for every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  (a) use the services of an external agencies, if required;

  (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

  (c) consider the time commitments of the candidates.
- to devise a policy on diversity of the Board of Directors.
- to determine whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent director.
- to recommend to the Board, all remuneration, in whatever form, payable to senior management.
- to align key executive and board remuneration with the longer term interests of the Company and its shareholders.
- to ensure 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:**

The 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)
- Ms. Sukanya Kripalu (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 six times, i.e. on May 13, 2021, 15 June 2021, 13 August 2021, 26 October 2021, 9 February 2022 and 23 February 2022. 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

# Report on Corporate Governance

performance 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. Independent Directors are evaluated based on various parameters such as integrity, qualification, experience, objectivity, leadership qualities, professional and business standing, responsiveness, engagement level, etc. The Nomination & Remuneration Policy, which also covers the performance evaluation criteria for the directors, is appended as *Annexure A* to the Board of Directors' Report.

## 5. Stakeholders Relationship Committee

The Company has always valued its investors' and stakeholders' relationships. In order to look in to various aspects of interest of shareholders and 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, *EVP - 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 2021-2022 | 49 |
| Number of complaints/ queries, etc. not resolved to the satisfaction of shareholders as on March 31, 2022 | 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 |

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

- to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- to review the measures taken for effective exercise of voting rights by shareholders.
- to review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- to review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.
- 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 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

# Report on Corporate Governance

Committee met four times, i.e. on 15 June 2021, 13 August 2021, 26 October 2021 and 9 February 2022. Details of attendance are furnished at Para (2) (b) ('Board of Directors') of this report.

## 6. Risk Management Committee

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 and monitored by the Risk Management Committee. Senior Management team and Risk Management Committee periodically review 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.

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

- to formulate a detailed risk management policy which shall include:
  - a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - measures for risk mitigation including systems and processes for internal control of identified risks.
  - business continuity plan.
- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- to monitor and review the risk management plan.
- to carry out any other functions as authorized by the Board of Directors from time to time or as stipulated by statutory/ regulatory authorities.
- the Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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

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

- Mr. Vineet Jain – Chairman (Non-Executive Director)
- Mr. Prashant Panday (Managing Director & Chief Executive Director)
- Mr. N. Subramanian (Executive Director & Group CFO)
- Mr. N. Kumar (Independent Non-Executive Director): inducted with effect from June 15, 2021
- Mr. Nandan Srinath (Executive President) : inducted with effect from June 15, 2021

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

During the financial year under review, Risk Management Committee met two times, i.e. on 13 August 2021 and 9 February 2022. Details of attendance are furnished at Para (2) (b) ('Board of Directors') of this report.

## 7. 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 ₹ 5.20 lakhs as fees for

# Report on Corporate Governance

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. was less than 0.1% of the total professional fees earned by the Khaitan & Co. during the financial year 2021-22.

Apart from reimbursement of expenses incurred in the discharge of duties, the remuneration that the Directors were entitled to under the Act as the Non-Executive Directors and professional fees paid to Khaitan & Co. as stated above for professional services rendered to the Company, none of the Non-Executive Directors have any other pecuniary relationships or transactions with the Company, its Subsidiaries or Associates or their Promoters or Directors during the financial year under review. None of the Directors of your Company are *inter-se* related to each other.

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

Independent Directors of the Company have been paid sitting fees as tabulated below per meeting, subject to deduction of applicable taxes, levies, etc., if any, for attending:

| For attending the meeting of: | Sitting fees per meeting (in ₹) |
|---|---|
| Board of Directors | ₹ 1,00,000 |
| Audit Committee | ₹ 75,000 |
| Nomination and Remuneration Committee | ₹ 75,000 |
| Corporate Social Responsibility Committee | ₹ 20,000 |

Remuneration/ commission amount has been provided for the financial year 2021-2022 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, which is available at the Company's website at: https://www.enil.co.in at web link: https://www.enil.co.in/policies-and-code-of-conduct.php and also appended as *Annexure A* to the Board of Directors' Report.

**(c) Disclosures with respect to remuneration:**

Details of sitting fees and remuneration/ commission for the financial year 2021 – 2022:

(₹ in lakhs)

| Name of the Non-Executive Directors | Sitting Fees | Remuneration/ Commission |
|---|---|---|
| Mr. Vineet Jain @ | Nil | Nil |
| Mr. N. Kumar * | 14.25 | 3.00 |
| Mr. Ravindra Kulkarni *$ | 11.95 | 2.50 |
| Mr. Richard Saldanha * | 14.25 | 3.00 |
| Ms. Sukanya Kripalu # | 14.25 | 3.00 |

@ liable to retire by rotation

* Re-appointed for a term of five consecutive years commencing from August 12, 2019

# Appointed for a term of five consecutive years commencing from May 23, 2018

$ The sitting fees and remuneration/ commission were paid/ payable to Khaitan & Co., in which Mr. Ravindra Kulkarni is a partner

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.

**Details of remuneration paid to Mr. Prashant Panday, Managing Director & CEO and Mr. N. Subramanian, Executive Director & Group CFO during the year 2021 - 2022 are given below:**

(₹ in lakhs)

| Particulars | Mr. Prashant Panday | Mr. N. Subramanian |
|---|---|---|
| Salary | 310.61 | 377.61 |
| Value of perquisites | 12.13 | 1.69 |
| **Total** | **322.74** | **379.30** |

**Notes:**

- Present term of appointment of Mr. Prashant Panday is for a period commencing from July 1, 2021 and concluding on his date of retirement, i.e. July 8, 2023 on various terms and conditions, including remuneration as approved by the members at their meeting held on September 28, 2021.

  Present term of appointment of Mr. N. Subramanian is for a period of five years with effect from November 2, 2018 till November 1, 2023 on various terms and conditions, including remuneration as approved by the

# Report on Corporate Governance

members at their meeting held on August 5, 2019.

- Appointment, terms, conditions and payment of remuneration to the Managing Director and Whole-time / Executive Director are 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. Mr. N. Subramanian does not hold any 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 and Mr. N. Subramanian do not receive any remuneration or commission from the Company's holding or subsidiary companies.
- Their period of office shall be liable to determination by retirement of directors by rotation.

## 8. 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 2020-2021 Twenty Second AGM held on September 28, 2021 at 3.00 p.m. | AGM was held through Video Conference ('VC') / Other Audio Visual Means ('OAVM'). The venue of the meeting was deemed to be the Registered Office of the Company at 'A' Wing, 4th Floor, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, India | ▪ Regarding issue of non- convertible debentures, bonds, debt securities, etc. on private placement basis.<br>▪ Regarding reappointment of Mr. Prashant Panday-Managing Director & CEO.<br>▪ Regarding payment of minimum remuneration to Mr. N. Subramanian, Executive Director & Group CFO, in case the Company has no profits or its profits are inadequate.<br>▪ Regarding payment of minimum remuneration to non-executive directors, in case the Company has no profits or its profits are inadequate. |
| FY 2019-2020 Twenty First AGM held on September 23, 2020 at 3.00 p.m. | AGM was held through Video Conference ('VC') / Other Audio Visual Means ('OAVM'). The venue of the meeting was deemed to be the Registered Office of the Company at 'A' Wing, 4th Floor, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, India | ▪ Regarding issue of non- convertible debentures, bonds, debt securities, etc. on private placement basis.<br>▪ Regarding payment of remuneration to non-executive directors. |

# Report on Corporate Governance

| Year, Date and Time | Location | Special Resolution(s) passed |
|---|---|---|
| FY 2018-2019 Twentieth AGM held on August 5, 2019 at 3.00 p.m. | Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai: 400018 | ▪ Regarding issue of non- convertible debentures, bonds, debt securities, etc. on private placement basis.<br>▪ Regarding approval of the appointment and relevant terms and conditions thereof including remuneration payable to Mr. Subramanian Narayanan (Mr. N. Subramanian) as the Executive Director & Group Chief Financial Officer of the Company for a period of five years with effect from November 2, 2018 to November 1, 2023.<br>▪ Regarding approval of the reappointment of Mr. Richard Saldanha as an Independent Director for a period of five consecutive years with effect from August 12, 2019 to August 11, 2024 and relevant terms and conditions thereof.<br>▪ Regarding approval of the reappointment of Mr. Ravindra Kulkarni as an Independent Director for a period of five consecutive years with effect from August 12, 2019 to August 11, 2024 and relevant terms and conditions thereof.<br>▪ Regarding approval of the reappointment of Mr. Narayanan Kumar (Mr. N. Kumar) as an Independent Director for a period of five consecutive years with effect from August 12, 2019 to August 11, 2024 and relevant terms and conditions thereof. |

**(b) Resolutions passed last year through Postal Ballot:**

No resolution was passed through postal ballot voting process during the financial year under review.

On December 10, 2020, below stated special resolution was passed through postal ballot voting process:

| Sr. No. | Type of Resolution | Brief particulars |
|---|---|---|
| 1 | Special Resolution | Regarding adoption of the new set of articles of association of the Company. |

**Details of voting pattern:**

| Sr. No. | Particulars | Voting by electronic mode (remote e-voting) | | | Result |
|---|---|---|---|---|---|
| | | No. of electronic Ballot received | No. of e-votes | % of total valid votes | |
| (a) | Votes in favour of the resolution | 36 | 4,15,97,186 | 97.1685 | Resolution passed through requisite majority |
| (b) | Votes against the resolution | 3 | 12,12,142 | 2.8315 | |
| (c) | **TOTAL** | **39** | **4,28,09,328** | **100.0000** | |

**(c) Person who conducted the aforesaid postal ballot exercise:**

Mrs. Pooja Jain, Practicing Company Secretary (Membership No: F8160) - Partner of M/s. VPP and Associates conducted the aforesaid Postal Ballot remote e-voting process in a fair and transparent manner.

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

# Report on Corporate Governance

**(e) Procedure for postal ballot:**

Pursuant to the provisions of 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 and Ministry of Corporate Affairs ('MCA') General Circulars No.14/2020, 17/2020, 22/2020 and 33/2020 dated 8th April, 2020, 13th April, 2020, 15th June, 2020 and 28th September, 2020 respectively, the Company had provided to its members the facility to cast their votes by way of Postal Ballot, only through remote e-voting on the special resolution as stated above. The Company had appointed KFin Technologies Limited (formerly known as KFin Technologies Private Limited) ('R&TA'/ 'KFinTech') for facilitating e-voting.

Postal Ballot Notice and results of the Postal Ballot Voting were uploaded on the Company's website: www.enil.co.in at url: http://enil.co.in/postal-ballot.php

## 9. 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

**(b) Newspapers wherein results normally published:**

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

**(c) Any Website, where displayed:** www.enil.co.in

**(d) Whether Website also displays official news releases:**

The Company has maintained a functional website [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

## 10. General Shareholder Information

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

Day, Date and time : Tuesday, September 27, 2022; 3.00 p.m.

Venue : AGM through Video Conference / Other Audio Visual Means. Venue of the meeting shall be deemed to be the Registered Office of the Company at 'A' Wing, 4th Floor, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013.

**(b) Financial year:** April 1, 2021 to March 31, 2022.

**(c) Dividend Payment Date:** The Dividend, if declared at the AGM, would be paid/ dispatched on / after September 28, 2022. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022, 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. Record date for the purpose of dividend payment is Tuesday, September 20, 2022.

**(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 to BSE and NSE.

**(e) Stock code :**

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

# Report on Corporate Governance

**(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, 2022, on the said exchanges, is as follows:

**Stock Market data – BSE**

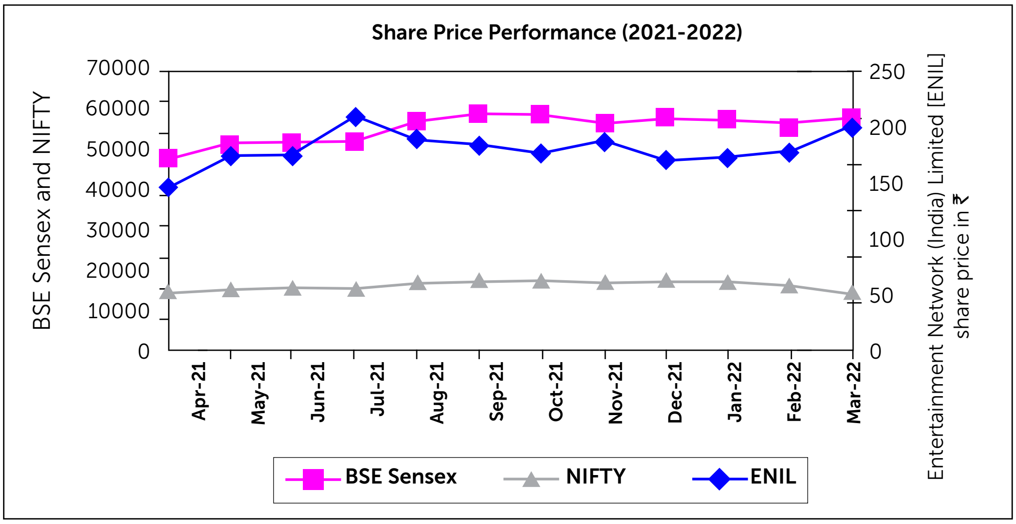
| Month | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of shares | Total Turnover (₹ in lakhs) |
|---|---|---|---|---|---|---|
| April-21 | 145.35 | 162.30 | 140.00 | 146.05 | 35004 | 51.62 |
| May-21 | 147.60 | 194.00 | 142.00 | 173.50 | 155408 | 265.95 |
| June-21 | 174.65 | 211.30 | 166.95 | 174.60 | 513058 | 963.13 |
| July-21 | 178.05 | 226.00 | 169.45 | 209.85 | 468278 | 911.37 |
| August-21 | 211.45 | 226.95 | 175.40 | 187.85 | 288629 | 588.53 |
| September-21 | 188.75 | 221.75 | 181.00 | 183.55 | 169484 | 341.35 |
| October-21 | 186.80 | 197.00 | 175.85 | 177.05 | 86094 | 160.70 |
| November-21 | 184.80 | 216.00 | 176.00 | 186.45 | 57234 | 113.56 |
| December-21 | 188.75 | 200.00 | 161.85 | 170.90 | 36367 | 65.23 |
| January-22 | 174.40 | 182.50 | 159.10 | 172.15 | 42911 | 74.29 |
| February-22 | 169.50 | 205.80 | 168.25 | 177.75 | 134055 | 254.27 |
| March-22 | 174.40 | 232.80 | 166.30 | 202.05 | 111622 | 227.98 |

**Stock Market data – NSE**

| Month | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of shares | Total Turnover (₹ in lakhs) |
|---|---|---|---|---|---|---|
| April-21 | 145.60 | 163.00 | 140.00 | 146.10 | 964238 | 1429.09 |
| May-21 | 149.00 | 194.20 | 143.05 | 174.00 | 2648149 | 4564.29 |
| June-21 | 175.65 | 212.00 | 168.55 | 174.85 | 5906558 | 11148.87 |
| July-21 | 178.50 | 226.25 | 169.25 | 209.15 | 5651881 | 11069.35 |
| August-21 | 210.65 | 226.95 | 172.50 | 188.70 | 2520871 | 5140.55 |
| September-21 | 188.65 | 221.95 | 179.15 | 183.55 | 1546272 | 3128.46 |
| October-21 | 186.50 | 196.00 | 176.10 | 177.40 | 948784 | 1783.56 |
| November-21 | 182.10 | 216.40 | 176.00 | 187.45 | 1030319 | 2061.96 |
| December-21 | 186.90 | 199.90 | 161.60 | 171.65 | 980224 | 1741.52 |
| January-22 | 175.00 | 179.00 | 158.85 | 171.45 | 546251 | 943.03 |
| February-22 | 170.15 | 205.60 | 166.55 | 176.50 | 2165502 | 4089.45 |
| March-22 | 176.00 | 227.00 | 165.10 | 203.70 | 1695172 | 3444.41 |

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

**(g) Performance in comparison to broad-based indices:**



# Report on Corporate Governance

**(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):**

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited): Unit: Entertainment Network (India) Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032. E-mail: einward.ris@kfintech.com, Phone: 040-67162222; Toll Free no.: 1800-309-4001.

On March 17, 2022, the Company has been informed by the Company's Registrar & Share Transfer Agent that pursuant to conversion of its status from private limited company to public limited company, its name has been changed from 'KFin Technologies Private Limited' to 'KFin Technologies Limited'.

**(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, dematerialisation etc. of the securities of the Company to the R&TA. The Company obtains an annual certificate from the Practicing Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company. In terms of amended Regulation 40 of the Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, SEBI has made it mandatory for listed companies to issue securities in dematerialised form only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. In view of the above and to avail various benefits of dematerialisation, Members holding shares in physical form are advised to convert physical shares in dematerialise form.

**(k) Distribution of shareholding as on March 31, 2022:**

| Category | No. of Members | % of Members | Total Shares | % of shares |
|---|---|---|---|---|
| 1 - 5000 | 15132 | 98.64 | 3187212 | 6.69 |
| 5001 - 10000 | 100 | 0.65 | 710546 | 1.49 |
| 10001 - 20000 | 57 | 0.37 | 814614 | 1.71 |
| 20001 - 30000 | 13 | 0.08 | 331052 | 0.69 |
| 30001 - 40000 | 6 | 0.04 | 202698 | 0.43 |
| 40001 - 50000 | 4 | 0.03 | 185359 | 0.39 |
| 50001 - 100000 | 9 | 0.06 | 582589 | 1.22 |
| 100001 & Above | 20 | 0.13 | 41656345 | 87.38 |
| **Total** | **15341** | **100.00** | **47670415** | **100.00** |

**Shareholding pattern of the Company (as on March 31, 2022):**

| Category code | Category of shareholder | Number of shareholders | Total Number of shares | Total shareholding as a percentage of total number of shares |
|---|---|---|---|---|
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | |
| (1) | Indian (Bodies Corporate) * | 1 | 33918400 | 71.15 |
| (2) | Foreign | 0 | 0 | 0 |
| | **Total Shareholding of Promoter and Promoter Group** | **1** | **33918400** | **71.15** |
| **(B)** | **Public shareholding** | | | |
| (1) | Institutions | | | |
| | Mutual Funds | 2 | 2025344 | 4.25 |
| | Alternate Investment Funds | 2 | 546364 | 1.15 |
| | Foreign Portfolio Investors | 9 | 2727751 | 5.72 |
| | Financial Institutions/Banks | 0 | 0 | 0.00 |
| | **Total:** | **13** | **5299459** | **11.12** |

# Report on Corporate Governance

| Category code | Category of shareholder | Number of shareholders | Total Number of shares | Total shareholding as a percentage of total number of shares |
|---|---|---|---|---|
| (2) | Non-institutions | | | |
| | Individual shareholders | 14904 | 6616643 | 13.88 |
| | Trust | 1 | 40 | 0.00 |
| | Non-resident Indians | 271 | 608260 | 1.27 |
| | Clearing members | 30 | 32632 | 0.07 |
| | Qualified Institutional Buyer | 1 | 101334 | 0.21 |
| | Bodies corporates | 119 | 1089342 | 2.29 |
| | IEPF | 1 | 4305 | 0.01 |
| | **Total:** | **15327** | **8452556** | **17.73** |
| | **Total Public Shareholding** | **15340** | **13752015** | **28.85** |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued** | **0** | **0** | **0.00** |
| | **GRAND TOTAL (A)+(B)+(C)** | **15341** | **47670415** | **100.00** |

***** The Indian Promoter: Bennett, Coleman and Company Limited.

As on March 31, 2022 and as on the date of this report, none of the Promoter or Promoter's Group of the Company have encumbered any shares of the Company.

**(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, 2022. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by Securities and Exchange Board of India. The trading / liquidity details are given in para (f) hereinbefore.

Details of shares held in dematerialized form and physical mode as on March 31, 2022:

| Sr. No. | Description | No. of Holders | Shares | % to Equity |
|---|---|---|---|---|
| 1 | PHYSICAL | 5 | 244 | 0.00 |
| 2 | NSDL | 8708 | 44009484 | 92.32 |
| 3 | CDSL | 6903 | 3660687 | 7.68 |
| | **Total:** | **15616** | **47670415** | **100.00** |

**(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 Radio stations:**

| Sr. No. | Radio Station | Address |
|---|---|---|
| 1 | Ahmedabad -1 (98.3) | The Times of India Press Premises, Vejalpur, Ahmedabad - 380015. |
| 2 | Ahmedabad -2 (104) | Ahmedabad Hub |
| 3 | Akola - (95) | Aurangabad Hub |
| 4 | Amravati - (92.1) | Aurangabad Hub |
| 5 | Amritsar - (104.8) | Signature Tower, 6th Floor, SCO No. 93, Amritsar Dist. Shopping Complex, Ranjit Avenue, Near Passport Office, Amritsar, Punjab - 143001. |
| 6 | Asansol - (95) | Kolkata Hub |
| 7 | Aurangabad - (98.3) | # F8, 9, 10, 5th floor, Aurangabad Business Centre Adalat road, Opp. Session court, Aurangabad - 431005. |
| 8 | Bengaluru -1 (98.3) | #39/2, 3rd Floor, Sagar Building, Bannerghatta Road, Bengaluru - 560029. |
| 9 | Bengaluru -2 (95) | Bengaluru Hub |
| 10 | Bharuch - (92.3) | Ahmedabad Hub |
| 11 | Bhavnagar - (95) | Ahmedabad Hub |
| 12 | Bhopal - (98.3) | 2nd Floor, C P Square, 2 Malviya Nagar, Opp. Raj Bhawan, Bhopal - 462003. |
| 13 | Chandigarh - (98.3) | Plot No 149, 3rd floor, Industrial Area Phase – 1, Chandigarh - 160002. |
| 14 | Chennai - (98.3) | 6th Floor, No 17, Kochar Towers, Venkata Narayana Road, T Nagar, Chennai - 600017. |

# Report on Corporate Governance

| Sr. No. | Radio Station | Address |
|---|---|---|
| 15 | Coimbatore - (98.3) | 1547, 8th Floor, Classic Towers, Trichy Road, Coimbatore - 641018. |
| 16 | Delhi - (98.3) | Times Center, Plot No.-6,3rd floor, sector 16 A, Film city Noida, Uttar Pradesh - 201301. |
| 17 | Durg- Bhilai Nagar (91.9 FM) | Raipur Hub |
| 18 | Guwahati - (95) | 705,706,707,708,709, Protech Centre, 7th floor, Ganeshguri, G.S. Road, Guwahati - 781006, Assam. |
| 19 | Hubli Dharwad - (98.3) | 301, 3rd Floor, Nirvana Tradewinds, Opposite Hosur Bus Depot, P. B. Road Hubli - 580029. |
| 20 | Hyderabad -1 (98.3) | Office No 909 - 910 Manjeera trinity, K P H B Phase 3, Kukatpally, Hyderabad, Telangana - 500072. |
| 21 | Hyderabad-2 (95) | Hyderabad Hub |
| 22 | Hyderabad-3 (104) | Hyderabad Hub |
| 23 | Indore - (98.3) | 9th Floor, Industry House 15, A. B. Road, Indore - 452001. |
| 24 | Jabalpur - (98.3) | 2nd Floor, Parvati Plaza, 89 BCD , Scheme No. 5, Vijay Nagar, Jabalpur - 482002. |
| 25 | Jaipur -1 (98.3) | 6th Floor, Prestige Tower, Amrapali Road, Amrapali Circle, Vaishali Nagar, Jaipur - 302021. |
| 26 | Jaipur -2 (104) | Jaipur Hub |
| 27 | Jalandhar - (98.3) | 1st Floor , Orion -123, Sco No -123, Urban Estate phase -2 Jalandhar- 144022. |
| 28 | Jammu - (98.3) | 3rd floor, Sai Plaza, Opp. KC Motors, NH1A Bypass Road, Channi Rama, Jammu - 180010. |
| 29 | Jamnagar - (95) | Rajkot Hub |
| 30 | Jhansi - (104.8) | Lucknow Hub |
| 31 | Jodhpur - (104.8) | Man Meera Tower, Akhalia Circle, Chopasni Road, Jodhpur - 342001. |
| 32 | Junagadh - (95) | Rajkot Hub |
| 33 | Kanpur -1 (98.3) | Office No- 101, 102, 103, 104, 105, 1st Floor, Krishna Tower, 15/63 Civil Lines, Kanpur - 208001. |
| 34 | Kanpur -2 (91.9) | Kanpur Hub |
| 35 | Kochi - (104) | 2nd Floor, KBS Safa Plaza, Geethanjali Junction, Vyttila P.O, Cochin - 682019. |
| 36 | Kolhapur - (98.3) | 301, 3rd Floor, Eternity Square, C.S. No. 2150 A/1A, Tarabai Park, Near R.T.O. Office, E Ward, Kolhapur - 416003. |
| 37 | Kolkata - (98.3) | Acropolis Mall, 1858/1, 17th Floor, Rajdanga Main Road, Kolkata - 700107. |
| 38 | Kozhikode - (92.7) | 1st Floor, Ashwathy Building, Stadium Puthiyara Road, Calicut - 674003. |
| 39 | Lucknow -1 (98.3) | 6th floor, Shalimar Tower, Vibhuti Khand, Gomti Nagar, Lucknow- 226010. |
| 40 | Lucknow -2 (107.2) | Lucknow Hub |
| 41 | Madurai - (98.3) | 2nd Floor, Natraj Complex, Opp New District Court, 128, Melur Road, K.K.Nagar, Madurai - 625020. |
| 42 | Mangalore - (98.3) | Inland Ornate, #206, 2nd Floor, Navbharath Circle, Mangalore - 575003. |
| 43 | Mehsana - (91.9) | Ahmedabad Hub |
| 44 | Mumbai - (98.3) | 3rd & 4th floor, A-wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013. |
| 45 | Mysuru - (104.8) | Bengaluru Hub |
| 46 | Nagpur -1 (98.3) | Wing A,Unit No. 301 & 302, 3rd floor, I-Park Building, Vidarbha Infotech Pvt. Ltd, Plot No. 28, MIDC IT Park Area, Gayatrinagar Road, Parsodi, Nagapur - 440022. |
| 47 | Nagpur -2 (91.9) | Nagpur Hub |
| 48 | Nashik - (98.3) | Office No. 305, 306, 3rd Floor, B-Square, Survey No. 726/1, Yeolekar Mala, Near BYK college of commerce Off college road, Nashik - 422005. |
| 49 | Palanpur - (93.7) | Ahmedabad Hub |
| 50 | Patiala - (104.8) | Chandigarh Hub |
| 51 | Patna - (98.3) | 4th floor, Lakshmi Apartment, Times of India Building, Frazer road, Patna - 800001. |
| 52 | Puducherry - (104) | Private FM Transmitter Complex, All India radio campus, Indira Nagar, Gorimabu, Puducherry - 605602. |
| 53 | Pune -1 (98.3) | 10th Floor, The Business Plaza, Koregaon Park Annex, Adj. Hotel Westinn, Mundwa Road, Ghorpadi , Pune - 411001. |
| 54 | Pune -2 (104.2) | Pune Hub |
| 55 | Raigarh - (91.9) | Raipur Hub |
| 56 | Raipur - (98.3) | 1st Floor, Chawla Towers, Shankar Nagar, Near Bottle House, Raipur, Chhattisgarh - 492007. |
| 57 | Rajahmundry - (91.1) | Hyderabad Hub |
| 58 | Rajkot - (98.3) | Property No.23-24/P, Radhika House, 3rd Floor, Near Kinnari Flats, Opp. Princess School, Kalawad Road, Rajkot - 360007. |
| 59 | Shillong - (91.1) | 2nd Floor, Hariketi Building, Lummawrie, Laitumkhrah, Shillong - 793003. |
| 60 | Shimla - (104.8) | Chandigarth Hub |

# Report on Corporate Governance

| Sr. No. | Radio Station | Address |
|---|---|---|
| 61 | Siliguri - (98.3) | Kolkata Hub |
| 62 | Srinagar - (98.3) | Hyderpora Complex, Hyderpora, NH 1A, Bypass Road, Opposite Jamkash Vehicleades, Srinagar - 190014. |
| 63 | Surat -1 (98.3) | 1201-1202, 12th floor, Pramukh Orbit-2, Beside Cellestial Dreams, Town Planning scheme no.5 (Vesu - Bhirmad) Canal road, Surat - 395007. |
| 64 | Surat -2 (91.9) | Surat Hub |
| 65 | Tiruchirappalli - (95) | SH1, Sanjay Arcade, Indian Bank Colony, K.K. Nagar Main Road, Trichy - 620021. |
| 66 | Tirunelveli - (95) | Madurai Hub |
| 67 | Trivandrum - (98.3) | 3rd floor Oban square, Opposite Heera Kinara and Classic Main Entrance, Kesavadasapuram - Ulloor Rd, Thiruvananthapuram, Kerala - 695004. |
| 68 | Ujjain - (91.9) | Indore Hub |
| 69 | Vadodara - (98.3) | 904-905A, 9th Floor, Neptune Edge,Neptune Campus, Dr.Vikram Sarabhai Marg, Vadiwadi, Vadodara - 390007. |
| 70 | Varanasi - (98.3) | S.R. Complex, D59/45 B, Mahmoorganj, Opp FITT JEE Varanasi - 221010. |
| 71 | Vijayawada - (98.3) | 52-1/1-40, 2nd Floor, RG Towers, Plot No. 24, Veterinary Colony, Service Road, Near NTR Health University Signal, Vijaywada, Andhra Pradesh - 520007. |
| 72 | Visakhapatnam - (98.3) | 5th Floor, ELBEE Classic, D No: 49-24-55, Shankarmatam Road, Visakhapatnam - 530016. |
| 73 | Warangal - (91.9) | Hyderabad Hub |

**(p) Address for correspondence:**

**Investor Correspondence:**

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

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Unit: Entertainment Network (India) Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. E-mail: einward.ris@kfintech.com, Phone: 040-67162222; Toll Free no.: 1800-309-4001.

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

Mr. Mehul Shah, *EVP - Compliance & Company Secretary,*

Corporate Office: 14th Floor, Trade World, D Wing, 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

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. www.enil.co.in.

**(q) Credit ratings:**

CRISIL has reaffirmed their credit ratings in respect of the Company's debt instruments and bank facilities. The credit ratings assigned and the amount for which ratings have been assigned are tabulated below:

| | |
|---|---|
| Total Bank Loan Facilities Rated | ₹ 100 Crore (Enhanced from ₹ 50 Crore) |
| Long Term Rating | CRISIL AA+ / Stable (Reaffirmed) |
| Short Term Rating | CRISIL A1+ (Reaffirmed) |

| | |
|---|---|
| ₹ 50 Crore Non-Convertible Debentures | CRISIL AA+/Stable (Reaffirmed) |
| ₹ 300 Crore Commercial Paper | CRISIL A1+ (Reaffirmed) |

The rating rationale issued by CRISIL is attached herewith and can also be accessed at the following link: https://www.crisil.com/en/home/our-businesses/ratings/company-factsheet.ENTNETIN.html

## 11. 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

# Report on Corporate Governance

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 the Company's interests.

Details of the *Material Related Party Transactions*, i.e. transactions with a related party exceeding rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company- whichever is lower, entered by the Company during the financial year under review is attached as *Annexure F* 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 have 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:**

https://www.enil.co.in/policies-and-code-of-conduct.php

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

https://www.enil.co.in/policies-and-code-of-conduct.php

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

Not applicable.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not applicable.

**(i)** Certificate from Mr. Hemanshu Kapadia, Practising Company Secretary, is attached herewith, which forms part of this report, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

**(j)** During the financial year 2021-22, all the recommendations of the Committees of the Board, which were mandatorily required, have been accepted by the Board of Directors.

**(k)** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

(₹ In lakhs)

| Type of services | FY 2021-22 | FY 2020-21 |
|---|---|---|
| Audit Fees (including audit related services) | 51.27 | 51.13 |
| Other services | 3.00 | 1.35 |
| Reimbursement of expenses | – | 0.14 |
| Fees paid to network firm/ network entities | 22.77 | 17.03 |
| **Total** | **77.04** | **69.65** |

**(l)** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) number of complaints filed during the financial year 2021-22: two

# Report on Corporate Governance

(b) number of complaints disposed of during the financial year 2021-22: two

(c) number of complaints pending as on end of the financial year 2021-22: Nil

**(m)** Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Nil

**(n)** **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 Share Capital 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.

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

## 13. 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.

### (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 the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of the Chairman and the Managing Director & the Chief Executive Officer, such that the Chairman is-

(a) the non-executive director; and

(b) not related to the Managing Director & the Chief Executive Officer as per the definition of the term 'relative' defined under the Companies Act, 2013.

### (e) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

# Report on Corporate Governance

**14. 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 and 25 | Yes |
| Composition of the Board of Directors | 17 | Yes |
| Appointment of non-executive director who has attained the age of seventy five year | | Yes |
| Meetings of the Board of directors and quorum | | Yes |
| Review of compliance reports | | Yes |
| Plans for orderly succession for appointments | | Yes |
| Code of Conduct | | Yes |
| Fees/ compensation/ remuneration | | Yes |
| Minimum Information | | Yes |
| Compliance Certificate | | Yes |
| Risk Assessment and Risk Management plan | | Yes |
| Performance Evaluation of Independent Directors | | Yes |
| Recommendation of the Board for each item of special business | | Yes |
| Maximum number of directorships | 17A | Yes |
| Composition of the Audit Committee | 18 | Yes |
| Presence of Chairman of the Audit Committee at AGM | | Yes |
| Meetings of the Audit Committee, frequency and quorum | | Yes |
| Role of the Audit Committee and information to be reviewed | | Yes |
| Composition of the Nomination & Remuneration Committee | 19 | Yes |
| Quorum of the Nomination & Remuneration Committee meeting | | Yes |
| Presence of Chairman of the Nomination & Remuneration Committee at AGM | | Yes |
| Frequency of the Nomination & Remuneration Committee meeting | | Yes |
| Role of the Nomination & Remuneration Committee | | Yes |
| Composition of the Stakeholder Relationship Committee | 20 | Yes |
| Presence of Chairman of the Stakeholder Relationship Committee at AGM | | Yes |
| Frequency of the Stakeholder Relationship Committee meeting | | Yes |
| Role of the Stakeholder Relationship Committee | | Yes |
| Composition of the Risk Management Committee | 21 | Yes |
| Frequency and quorum of the Risk Management Committee meeting | | Yes |
| Role and responsibilities of the Risk Management Committee | | Yes |
| Vigil Mechanism/ Whistle Blower Policy | 22 | Yes |
| Policy for related party transactions (RPT), periodical review and disclosure of RPT | 23 | Yes |
| Prior or Omnibus approval of the Audit Committee for all RPT | | Yes |
| Approval for material RPT | | Yes |
| Disclosures of RPT to stock exchanges and publishing on the Company's website | | Yes |

# Report on Corporate Governance

| Particulars | Regulation Number | Compliance status (Yes/No/NA) |
|---|---|---|
| Composition of the Board of Directors of unlisted material Subsidiary | 24 | Not Applicable |
| Other Corporate Governance requirements with respect to subsidiary of listed entity | | Yes |
| Secretarial Audit and Secretarial Compliance Report | 24A | Yes |
| Obligation with respect to independent directors - Maximum number of directorship and tenure and vacancy thereto and their appointment, reappointment | 25 | Yes |
| Meeting of independent directors | | Yes |
| Familiarization of independent directors | | Yes |
| Disclosure of declaration by independent directors | | Yes |
| Directors and Officers insurance for all independent directors | | Yes |
| Obligations with respect to employees, KMP, directors and promoters and memberships in Committees | 26 | Yes |
| Affirmation with compliance to code of conduct from members of Board of Directors and senior management personnel | | Yes |
| Disclosure of Shareholding by non - executive directors | | Yes |
| Obligations of directors, senior management and employee and relevant disclosure requirements | | Yes |
| Other corporate governance requirements | 27 | Yes |

The Company has disseminated all the relevant information as required under regulation 46 of the Listing Regulations.

| Item | Compliance status (Yes/ No/ NA) |
|---|---|
| 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 |

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

*sd/-*

**Vineet Jain**
*Chairman*
(DIN: 00003962)

Mumbai, May 6, 2022

**Registered Office:**
**Entertainment Network (India) Limited**
CIN: L92140MH1999PLC120516,
4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400 013.
www.enil.co.in

# Report on Corporate Governance

## 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 2021-2022 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 2021-2022 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 2021-2022;

   (2) That there are no significant changes in accounting policies during the financial year 2021-2022; and

   (3) That there are no instances of significant fraud of which we have become aware.

***sd/-***

**Prashant Panday**
*Managing Director & CEO*
(DIN: 02747925)
Mumbai, May 6, 2022

***sd/-***

**N. Subramanian**
*Executive Director & Group CFO*
(DIN: 03083775)

# Report on Corporate Governance

## 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, 2022.

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

*sd/-*

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

Mumbai, May 6, 2022

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## 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, 2022.

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 all 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
UDIN: F003477D000279698

New York, USA, May 06, 2022

# Report on Corporate Governance

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To the Members of**

**ENTERTAINMENT NETWORK (INDIA) LIMITED**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ENTERTAINMENT NETWORK (INDIA) LIMITED** having CIN L92140MH1999PLC120516 and having registered office at 4th Floor, Matulya Centre, A-Wing, S. B. Marg, Lower Parel (W), Mumbai – 400 013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr. Vineet Jain | 00003962 | 19/01/2007 |
| 2. | Mr. Narayanan Kumar (Mr. N. Kumar) | 00007848 | 05/11/2005 |
| 3. | Mr. Ravindra Krishna Kulkarni | 00059367 | 19/01/2007 |
| 4. | Mr. Richard Blaise Saldanha | 00189029 | 23/11/2010 |
| 5. | Ms. Sukanya Kripalu | 06994202 | 23/05/2018 |
| 6. | Mr. Prashant Babulal Panday | 02747925 | 01/07/2010 |
| 7. | Mr. Subramanian Narayanan (Mr. N. Subramanian) | 03083775 | 02/11/2018 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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
UDIN: F003477D000279654

New York, USA, May 06, 2022

# Report on Corporate Governance

## 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 KFin Technologies Limited (formerly known as KFin Technologies Private Limited), the Registrar and Share Transfer Agent (R&TA) of the Company, for the financial year ended March 31, 2022, is as below:

| Sr. No. | 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, 2021: | Nil |
| (b) | Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2021-2022: | Nil |
| (c) | Number of shareholders to whom shares were transferred from suspense account during the year 2021-2022: | Nil |
| (d) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year under review: | Nil |
| (e) | Voting rights on these shares: | N.A. |

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

*sd/-*

**Vineet Jain**
*Chairman*
(DIN: 00003962)

Mumbai, May 6, 2022

# 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

### (1) Global Economy – War sets back the global recovery

In its April 2022 World Economic Outlook report, the IMF says in its "Foreword": "Global economic prospects have worsened significantly since our last World Economic Outlook forecast in January. At the time, we had projected the global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities.

This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the Covid-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging. Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further. This report projects global growth at 3.6 per cent in 2022 and 2023-0.8 and 0.2 percentage points lower than in the January forecast, respectively. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers.

Commenting on the inflation scenario, the report mentions: "Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies' central banks, such as the US Federal Reserve and those in Latin America, had already come under pressure before the war, bringing forward the timing of their monetary policy tightening. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food. Although bottlenecks are expected to eventually ease as production elsewhere responds to higher prices and new capacity becomes operational, supply shortages in some sectors are expected to last into 2023. *As a result, inflation is now projected to remain elevated for much longer than in our previous forecast, in both advanced and emerging market and developing economies*".

With respect to India, the report states that Output would increase by an estimated 8.2% in 2022 and 6.9% in 2023, indicating a strong recovery.

**Latest World Economic Outlook Growth Projections**

| (real GDP, annual percent change) | 2021 | 2022 (Projections) | 2023 (Projections) |
|---|---|---|---|
| World Output | 6.1 | 3.6 | 3.6 |
| Advanced Economies | 5.2 | 3.3 | 2.4 |
| United States | 5.7 | 3.7 | 2.3 |
| Euro Area | 5.3 | 2.8 | 2.3 |
| Germany | 2.8 | 2.1 | 2.7 |
| France | 7.0 | 2.9 | 1.4 |
| Italy | 6.6 | 2.3 | 1.7 |
| Spain | 5.1 | 4.8 | 3.3 |
| Japan | 1.6 | 2.4 | 2.3 |
| United Kingdom | 7.4 | 3.7 | 1.2 |
| Canada | 4.6 | 3.9 | 2.8 |
| Other Advanced Economies | 5.0 | 3.1 | 3.0 |
| Emerging Market and Developing Economies | 6.8 | 3.8 | 4.4 |
| Emerging and Developing Asia | 7.3 | 5.4 | 5.6 |
| China | 8.1 | 4.4 | 5.1 |
| India | 8.9 | 8.2 | 6.9 |
| ASEAN-5 | 3.4 | 5.3 | 5.9 |
| Emerging and Developing Europe | 6.7 | -2.9 | 1.3 |
| Russia | 4.7 | -8.5 | -2.3 |
| Latin America and the Caribbean | 6.8 | 2.5 | 2.5 |
| Brazil | 4.6 | 0.8 | 1.4 |
| Mexico | 4.8 | 2.0 | 2.5 |
| Middle East and Central Asia | 5.7 | 4.6 | 3.7 |
| Saudi Arabia | 3.2 | 7.6 | 3.6 |
| Sub-Saharan Africa | 4.5 | 3.8 | 4.0 |
| Nigeria | 3.6 | 3.4 | 3.1 |
| South Africa | 4.9 | 1.9 | 1.4 |
| Memorandum | | | |
| Emerging Market and Middle-Income Economies | 7.0 | 3.8 | 4.3 |
| Low-Income Developing Countries | 4.0 | 4.6 | 5.4 |

Source: IMF, World Economic Outlook, April 2022

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the April 2022 WEO, India's growth projections are 8.9 percent in 2022 and 5.2 percent in 2023 based on calendar year.

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# Management Discussion & Analysis

**(2) Indian Economy - partial recovery in FY22 as Covid-19 wanes**

As the war in Ukraine dragged on, the impact on the Indian economy was being felt as well. The Asian Development Bank, in its report dated April 6th, 2022 said: "India's economy will grow 7.5% in FY2022 and 8% in FY2023, supported by increased public investment in infrastructure and a pickup in private investment. The outlook assumes sustained progress in coronavirus disease (Covid-19) vaccinations and that any new variants of the virus are of limited severity. It also factors in the impacts of Russia's invasion of Ukraine - primarily higher global oil and commodity prices that will contribute to rising inflation and a widening of the current account deficit".

The forecast was issued today as part of the *Asian Development Outlook (ADO) 2022*, the latest edition of ADB's flagship economic publication.

It went on to add: "India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching Covid-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity. The Government of India's policy to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income will support the country's accelerated recovery."

Inflation will likely increase to 5.8% in FY2022 amid rising oil prices. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year due to tightening of the United States federal funds rate and elevated oil prices. The current account deficit is projected to widen to 2.8% of gross domestic product in FY2022 due to the rising oil import bill and is expected to decline to 1.9% in FY2023 amid an uptick in export growth. Foreign direct investment inflow is expected to moderate amid rising global uncertainty and tightening of global economic and financial conditions.

The Indian Express published in Feb'22 that India Ratings expected gross domestic product (GDP) to be 8.6% for FY2022, which had contracted by 6.6% in FY2021. Economists said the impact of the third wave of Covid-19 on economic momentum, especially in contact-intensive sectors, is seen lowering growth in the second half of the current fiscal (H2FY2022).[1]

Business Standard quoted former RBI Governor Bimal Jalan in its edition on April 7th, 2022: "The Indian economy is in good shape as the country's GDP growth rate and foreign exchange reserve are high". He further said "Asia's third-largest economy is projected to grow 8.9% in FY2022, according to recent government data. The Reserve Bank of India (RBI) has pegged the economic growth rate for FY2023 at 7.8%. The paper further said "Retail inflation hit an eight-month high of 6.07% in February, remaining above the RBI's comfort level for the second month in a row, while wholesale price-based inflation soared to 13.11% on account of the hardening of crude oil and non-food item prices".[2]

**(3) Overview of the global advertisement industry[3]**

With the advent of the pandemic, the advertisement industry observed a steady rise in in-home media usage and TV viewership reached newer heights. Digital content consumption increased substantially, and the use of social media platforms and streaming services reached a peak in the last couple of years. The gaming industry also grew exponentially. Accordingly, advertisers and marketers across the globe remolded their marketing and advertising strategy keeping in mind the consumer behavior. Advertisers prioritized digital advertising. The online environment emerged as a favorable medium for "direct customer response" campaigns – those encouraging quick purchases by consumers – an attractive proposition for brands spending cautiously and looking to drive sales interactively. More than expected rise in the revenues (in the first quarter of 2022) of the two global social media behemoth – Google and Facebook – validates the changing preference of marketers.

By medium, TV had a strong year with global advertising spend on TV growing by 8% in 2021, as advertisers invested in their brand-building strategies. It also reflected the growth of connected TV and the increased targeting and measurement potential this brings to advertisers. Boosted by the occurrence of some major global events, such as FIFA World Cup in the latter half of 2022, TV is likely to register strong growth in 2022 also.

Despite the mobility restrictions, spend on outdoor advertising witnessed growth in 2021 and

Source
1. https://indianexpress.com/article/explained/explained-india-fy22-gdp-lower-than-estimates-7794442/
2. https://www.business-standard.com/article/economy-policy/indian-economy-in-good-shape-on-high-gdp-growth-says-bimal-jalan-122040700974_1.html
3. https://www.groupm.com/this-year-next-year-india-2022-advertising-forecast/

# Management Discussion & Analysis

2022, supported by the increasing availability of digital screens and programmatic options. Audio advertisements also saw some growth in the last couple of years, reinforced by podcasting, while cinema has been slower to recover. Print was the only medium to decline, reflecting the trends in circulation.

During the pandemic, most of the global population was forced into digital channels to shop, work, communicate, and even for entertainment. Observing these trends, advertisers across the globe enhanced their digital spend. The total digital advertisement spends in 2021 stood at $493 billion, up about 29% from 2020.

Trends in the last couple of years have shown that well-crafted, crisp, and emotionally connecting video content emerged as a powerful online advertising tool. According to marketers, people remember videos for a longer period and share them more frequently than they do other media.

In 2021, Google and Facebook (including Instagram) boasted their digital ad revenue by 28.6% and 23.8% and accounted for over 50% of all ad money in the US.

According to various industry reports, global advertising spends grew by 20.6% in 2021. The pace of growth in digital advertising has continued to accelerate in 2021, reflecting the seismic shift in the way the target group consumed media and the growing preference of the advertisers.

**Country-wise advertising trend**

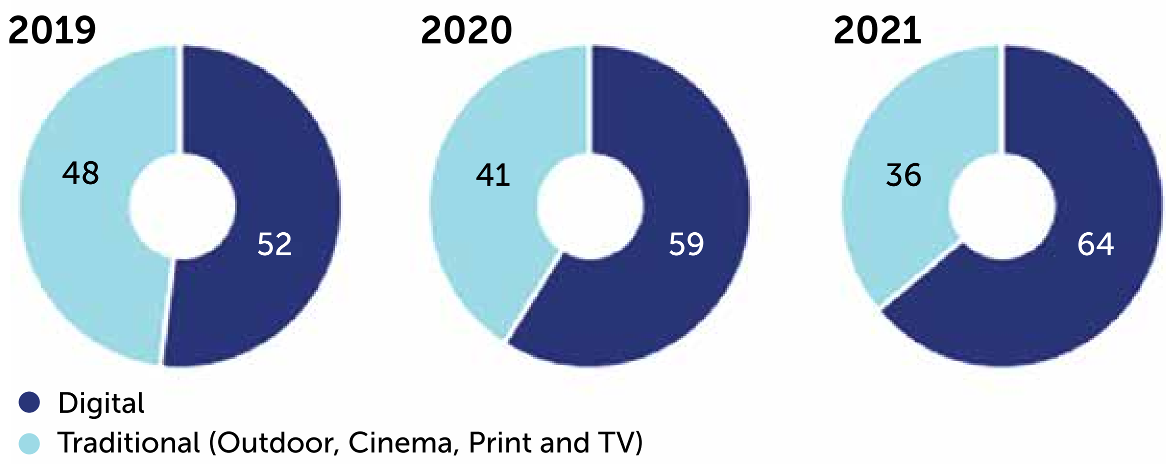
UK, United States and China emerged as the largest contributors to growth in advertising spend in 2021, spurred by their exposure to digital advertising. The UK recovered the quickest and emerged as the fastest growing amongst the major markets, growing 35.7% in 2021, while advertisement spending in the US, excluding political advertising, grew by 28.4%. China witnessed an 18.8% growth in advertising spend in 2021, against a tougher comparative, with digital ad spend accounting for nearly 90% of the market.

Globally, the US made up for the largest advertising spends. In 2021, India spent $9.8 billion on advertising, whereas the United States alone accounted for $258.9 billion spend. Comparatively, China spent $123.3 billion in the same year. But India is poised to grow to a projected $14.8 billion by 2024. The US then will still have the lion's share and will account for $323.1 billion, and China about $272 billion.[4]

**(4) Indian advertising industry[5]**

One of the fastest growing advertisement industries in the world, the Indian advertisement industry is amongst the top 12 markets in terms of ad spends and accounts for nearly 4.6% of the growth in ad spend. The Indian advertising market is forecast to grow by 15.0% in 2022 and is expected to be led by TV growing by 11% to reach ₹ 294 billion and Digital by 18.5% to reach ₹ 250 billion in 2022[6].

**Global Advertising Spend by Media (in %)**



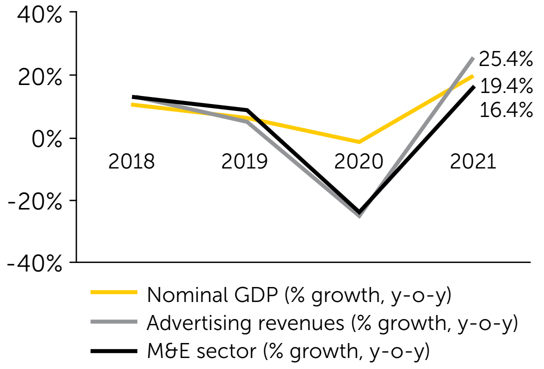

(Source: https://www.thedrum.com/news/2021/12/06/groupm-ad-revenue-2022-report-surprising-growth-and-probably-no-pandemic-impact)

**Source:**

4. https://www.exchange4media.com/advertising-news/indias-ad-spend-to-grow-at-108-per-cent-in-2021-to-reach-us-9-billion-dentsu-report-114251.html
5. EY report: Tuning into consumer, Indian M&E rebounds with a customer-centric approach, March 2022
6. https://www.indiantelevision.com/mam/media-and-advertising/digital-agencies/india-advertising-market-to-see-15-growth-in-2022-magna-advertising-forecast-211210

# Management Discussion & Analysis

**India's growing Ad spend**




(Source: EY FICCI Report, March 2022)

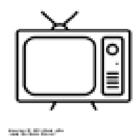
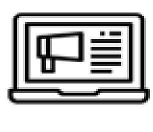
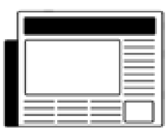
With the easing of lockdown restrictions, industries such as travel, and hospitality have opened up. Most of these industries haven't spent a dime on advertising in the last couple of years. But with restrictions being lifted, players within these industries would like to capitalize on the pent-up demand and thus spend heavily on advertisements. Further, growing industries, such as edu-tech, fin-tech, online gaming and cryptocurrency are likely to increase their ad spends which is likely to propel the growth of the industry. Digital, at a 33.4% share of spend, will be the key medium for digital-first brands and consumer tech companies in 2022. With a major chunk of the Indian population still glued to television sets, TV would continue to garner a 41.8% share in 2022, boosted by the airing of new content and sports events such as the Indian Premier League.

Digital subscriptions also grew by 29% to reach ₹ 56 billion in 2021. 80 million paid video subscriptions across almost 40 million Indian households generated ₹ 54 billion, an amount which is around 50% of broadcasters' share of TV subscription revenues. Because of the plethora of free audio options, just three million consumers bought music subscriptions, generating ₹ 1.6 billion in 2021[7].

**Segmental analysis[8]**

All areas of the Indian advertising industry saw substantial growth, but the burgeoning digital advertising sector—whose expansion was spurred by ecommerce—saw the highest gains. The television and radio advertising industry could not meet pre-pandemic levels. The print industry, one of the industries hardest hit by the pandemic picked up with subscription revenues witnessing a double digit growth on the back of recovery in direct to home and newsstand sales as well as rising cover prices.

The table below presents a more detailed review of the segmental performance of the Indian advertising industry:

| | |
|---|---|
|  | In 2021, television advertising witnessed a 25% growth, but it is still 2% short of 2019 levels. The growth was mainly driven by the rise in the number of connected TVs, which rose to 10 million in 2021. |
|   | Digital advertising was one of the biggest gainers in the last couple of years, as it grew by 29% to reach ₹ 246 billion in 2021. Ecommerce was one of the major contributors to this growth, validated by the fact that advertising earned by e-commerce platforms stood at ₹ 55 billion, nearly 16% of total digital advertising. |
|  | Considered by many as one of the hardest hit industries, print advertising revenues grew by 24% in 2021 as supply chains opened and circulation recovered. Print media provided access to a large base of top-end consumers and remained an integral part of marketers' brand launch and impact campaigns. Driven by hyper-local and regional news products, print media is expected to sustain its growth momentum. |
|  | One of the preferred mediums to connect with the masses, radio ad volumes witnessed a 29% growth in 2021 over 2020 but are still 6% behind the pre-covid 2019 volumes. An area of concern for the radio industry was the decline in ad rates. Ad rates dropped by 13% on an average in 2021. According to the industry experts, with the daily travel resuming and the retail sector opening up, ad rates are likely to recover in the years ahead. Many radio companies are looking at alternate revenue streams to make good the differential |

**Source:**

7. https://www.ey.com/en_in/news/2022/03/indian-m-and-e-sector-recovered-16-4-percent-to-reach-inr-1-61-trillion-in-2021-expected-to-exceed-pre-pandemic-levels-in-2022
8. Indian M&E sector recovered 16.4% to reach INR1.61 trillion in 2021; expected to exceed pre-pandemic levels in 2022: EY-FICCI report

# Management Discussion & Analysis

**(5) Indian radio industry**[9]

Radio has always been a constant companion to everyone, both in good and tough times. It is one medium that has a pan-India reach, right from the grassroot levels to the metros. In the last couple of years, thanks to the pandemic and lockdowns, radio again emerged as a preferred medium of entertainment and source of critical verified information. With 1,203 operational radio stations, including over 300 community radio stations, the Indian radio industry had revenues of around ₹ 16 billion at the end of 2021. Although the revenues grew by 12% in 2021, it was still only at 51% of the pre-pandemic revenues achieved in 2019. On the positive side, the industry recorded a 29% growth in the ad volumes. However, ad rates fell by nearly 13%. However, the overall ad volumes were still 6% behind 2019 volumes. The main reason for falling ad rates was that demand remained subdued because of stress in the SME sector and consequently, radio stations were forced to offer bonus spots to advertisers.

With the opening up of the offices and markets, resumption of the daily commutes, and industry players focusing on broadening their revenue streams, the Indian radio industry is expected to grow at a CAGR of 9% to reach ₹ 21 billion by the end of 2024 – which would still be only around 70% of the revenues of 2019.

**Respectable Prime Minister of India, Narendra Modi's remark on Radio on the occasion of 'World Radio Day'**

"Due to Mann Ki Baat, I repeatedly see how the radio can be a great medium to share positivity as well as recognize those who are at the forefront of bringing a qualitative change in the lives of others. I would also like to thank all those who contribute to this programme."

Over the past few years, most of the major FM players have gone into digital to stay in tune with consumer needs and give them exactly what they want. Additionally, the focus on the part of the companies in Tier II and Tier III cities has led to the revival of radio, as they have one of the best last mile reach. Further, strategic ties ups undertaken by the private players with digital music companies and the launch of dedicated digital platforms in the international markets (regions with a high concentration of Indian diaspora) has helped the industry sustain growth.

As a medium, radio in India has a huge potential. It is an interactive medium that holds its listeners' attention by offering socially viable content and enhanced on-air programming. The medium's digital platforms have become another consumer touchpoint. Most radio stations have powerful influencers in their RJs who have been able to build a deep connection with their listeners on various social media platforms, making them strong voices in the industry and effective market influencers. The association among advertisers, marketers and radio is set to grow stronger and richer in the 2022 as brands foray into tier-III and-IV cities. Backed by the hyper-local-reach of radio and solution-driven fresh content provided by radio, it is likely to emerge as another preferred medium of advertisement.

## B. Radio Industry (Future Outlook, Opportunities and Threats) – Navigating through the pandemic year

After suffering a huge setback on account of Covid-19 in FY21, the radio industry struggled to get back on its feet in FY22.

**(1) Radio industry recovers partially from low of FY21:**

After six relatively stable months in the second half of FY21, the industry was hoping for a quick recovery in FY22. Plans were drawn up accordingly. However, as the Delta variant spread ferociously in April and May of 2021, those hopes were dashed.

As per data published by TRAI, the radio industry recorded revenues of ₹ 865 crore in the first 3 quarter of FY22. This was up nearly 40% compared to the same three quarters in FY21, but it was still 42% lower than the first three quarters of the pre-pandemic year, FY20. What should have been a year of strong rebound ended up with only a partial recovery.

The Delta variant which hit the country in April 2021 was particularly aggressive. It spread quickly and caused many deaths. As stories of oxygen shortage and dead bodies lying unclaimed, and being cremated wherever possible emerged, the country was gripped by fear. State governments responded by locking down any place where crowds could gather. While the lockdowns were in general on a lesser, and more practical, scale compared to the nationwide all-covering lockdowns in FY21, they still severely impacted radio's business. Most shops were shut, and even later when they were opened, severe timing restrictions were imposed. Radio's business depends on retail outlets staying open. As a result of the lockdowns, the radio industry suffered hugely in the 1st quarter of FY22.

9. Indian M&E sector recovered 16.4% to reach INR1.61 trillion in 2021; expected to exceed pre-pandemic levels in 2022: EY-FICCI report

# Management Discussion & Analysis

Fortunately, the Government's vaccination program gathered steam in FY22, after a slow start. It took almost the whole of FY22 for a majority of the 45+ aged people to get vaccinated. Considering the shortage of vaccines, and the huge demand for them, the Government decided to delay the 2nd shot to 9 months after the 1st one. This increased vulnerability of the population, but it at least provided some basic protection to a larger number of people. After several hiccups, but because of a sustained thrust, the Government succeeded in double-vaccinating a bulk of the urban population by the end of FY22.

The radio industry recovered smartly as soon as lockdowns were removed. As relaxations were increased, the events business also made a come-back. Movie launches started as theatres were opened in Mumbai and other big cities. The Solutions business also started to recover as the various media vehicles used to deliver solutions – events, client contact programs and contact intensive activations were permitted.

Unfortunately, just as things were stabilizing, the Omicron wave again disrupted the business in January 2022. This time however, the impact was lesser. The variant itself was milder. The Governments had learned how to handle the situation and so, didn't implement harsh lockdowns. The radio industry had also learnt to handle such situations. Business did suffer in January 2022, but by mid-February, things started going back to normal.

As this report goes into print, the forecast for FY23 looks decidedly stronger.

**(2) Radio industry copes with Covid-19 by increasing ad volumes, reducing prices:**

Over the last two years of Covid-19, the demand for radio has waxed and waned. During the periods of lockdowns, demand slumped. When lockdowns were lifted, advertisers had the upper hand. They were able to beat down pricing. But in return, they gave higher ad volumes. This is not a very happy situation for listeners, because with more advertising, the listening experience has suffered.

Based on revenue data available from TRAI, and ad volumes data available from independent source "Airchecks", it is observed that industry pricing fell by an estimated 30-35% in FY21 over FY20 and a further 9-11% in FY22 over FY21. The radio industry has been unable to hold its pricing for both the Covid-19 years.

But in terms of ad volumes, the industry has staged a smart recovery in FY22. In all FY22, ad volumes went nearly back to FY20 levels with capacity utilization of approximately 67% in the markets that Airchecks measures (18 markets). However, what is comforting to see is that in all quarters except the first one which was devasted by Delta, the volumes are higher than in the pre-pandemic year FY20. In Q2FY22, for our legacy stations, capacity utilization was 65% compared to 58% in Q2FY20. In Q3FY22, Capacity utilization was 90% compared to 71% in Q3FY20 and in Q4FY22, capacity utilization was at 84% (despite Omicron) compared to 66% in Q4FY20.

**(3) Number of billers continues to remain less:**

Though volumes grew strongly, client count has remained subdued in FY22. In Q1FY22, client count was 46% lower than in Q1FY20. In Q2FY22, it was 25% lower, in Q3FY22, it was 18% lower and even in Q4FY22, it was 11% lower than in the corresponding quarters of FY20. This shows that the number of advertisers is still lesser than in pre-pandemic FY20. One reason for this is that several MSME advertisers are still not fully back on their feet. Another reason is that many advertisers operate in sectors that continue to be impacted– events and exhibitions, movies and plays, automobiles and two-wheelers (partly because of the chips shortage), airlines (because of lesser flights) and hotels (because of less demand in metros).

**(4) Important Legal Developments in FM Radio Industry in FY22**

As the radio industry was navigating the Covid-19 crisis in FY22, there were several significant legal developments during the year:

**Statutory Licensing (SL) for Music and connected Litigations:**

In December 2020, private FM broadcasters had secured a reasonable rate for music royalty via the provisions of Section 31D (SL – Statutory Licensing) of the Copyright Act. This helped the industry in putting a check on the monopolistic practices of music labels. This also helped to reduce the royalty pay-out burden. The initial Intellectual Properties Appellate Board (IPAB) order was valid for one year, until September 30th, 2021. In the month of September 2021, broadcasters filed an application for extension of these rates in the Hon'ble Delhi High Court. The broadcasters were successful in securing continuation of the old rates till such time as the High Court was able to fix new SL Rates.

The labels, being upset with the SL rates have used

# Management Discussion & Analysis

all their might to deny FM broadcasters the benefit of the SL rates. Several labels have filed appeals challenging the reasonability of the SL rates. However, they have not been able to get any relief. Labels have also filed infringement claims against broadcasters by harping on technicalities of Rule 29(4) under the Copyright Rules 2013. The labels have claimed that the broadcasters were not following the procedures given under the said rule, which, they very well know are extremely onerous and, in some respects, impractical to comply with if interpreted strictly. However, the FM industry has been successful in ensuring that the music playouts have unhindered. In order to get over these legal challenges, FM Broadcasters have filed Writ Petitions before the Madras and Bombay High Courts, challenging the constitutionality as well as interpretation of the said Copyright Rules. The industry is determined to pursue these all the way up to the Hon'ble Supreme Court if required, for bringing in the necessary clarifications and for avoiding any further roadblocks in the smooth exercise of their SL rights.

**161st Parliamentary Standing Committee Report- (Dated 20th July 2021)**

The Committee submitted its report on the topic of 'Review of the Intellectual Property Rights

Regime in India' and *inter-alia* recommended that **DPIIT should amend Section 31D of Copyrights Act for including 'internet or digital broadcasters' under the purview of Statutory License**. DPIIT subsequently invited suggestions from stakeholders on the above recommendation. The FM Broadcasters have submitted their respective written submissions to the DPIIT on 28th September 2021 supporting the same.

**(5) Important regulatory matters concerning the radio industry:**

During the year, the radio industry's representative body Association of Radio Operators of India (AROI) took up matters of concern with the Government:

**15% national cap:**

No Broadcaster is currently allowed to hold more than 15% of total radio stations operating in the country. AROI has recommended to the Ministry of Information and Broadcasting (MIB) that the cap should be removed. While no decision has been taken yet, it is believed that MIB is seriously considering this proposal.

**Digital Radio (DRM or HD-Radio):**

There is currently no policy issued by MIB on Digital Radio. DRM & HD Radio both completed their trial runs in Delhi & Jaipur last year on the FM band. All India Radio (AIR) has submitted its report mentioning that DRM & HD Radio are similar on FM band. AIR is continuing with DRM on MW & SW. Due to Covid-19 no further development happened on this front.

**GST:**

Currently Radio is subject to 18% GST whereas Print is at 5%. To remove the anomaly in the media sector, MIB has recommended a rate of 5% for radio but it is still to be taken up by the GST Council.

**Covid-19 Package:**

AROI has proposed that the Annual License Fees (ALF) payable by broadcasters during the Covid-19 period be calculated only basis 4% of Gross Revenue and not be subjected to the flooring of 2.5% of the OTEF (One Time Entry Fee). MIB has still not taken any decision on this.

**Extension of License Period by 3 years due to Covid-19 Impact:**

AROI has requested MIB to extend the current 15-year license period by 3 years on account of the serious impact of Covid-19 on the radio business. MIB has forwarded this to TRAI. TRAI is in the process of issuing a Consultation paper and after taking feedback of stakeholders, it will issue its recommendations to MIB.

**Change in Ownership/Lock in period:**

Clause 8.4 of GOPA is a clause that is very restrictive for M&A activities. AROI has requested MIB to modify it. MIB has still not taken any decision on this.

**Revision of Rates for Government Advertising released by DAVP:**

AROI has requested MIB to increase ad prices annually, basis inflation. Also, many stations under Phase-3 policy were initially given adhoc rates, which were extremely low. These should be increased and regularized. MIB is still to take a call on these points.

**Enabling FM tuners on mobile phones:**

AROI has urged MIB to enact regulations so that no mobile handset manufacturer could disable the FM receiver option. MIB is still to take a call on this.

**(6) Radio broadcasters adapt to the digital explosion:**

Most radio broadcasters have started adding digital products to their portfolio of revenue products. Most broadcasters have RJs who are

# Management Discussion & Analysis

local personalities in their own cities, and who often have a large following on Social Media. Radio stations have their own pages as well on Social Media. As advertisers have moved spending to digital, radio broadcasters have adapted and are now adding their and their RJs' social media pages to their radio advertising proposals. In this limited way, all radio broadcasters have dabbled with digital products. Top radio broadcasters Mirchi, Red FM and Radio City have approximately 4 million "likes" on their Facebook pages while others like Big FM, Fever FM and My FM have 1.7 million, 960K and 625K likes respectively. Similarly, on Instagram, Mirchi leads with 610K followers followed by Red FM at 543K followers and Radio City at 363K followers. On YouTube, Filmy Mirchi has 6.6 million subscribers followed by Red FM with 4.6 million and Radio City with 1.3 million. Each company would have more subscribers on other channels also that they operate.

Unfortunately, unlike in the West, radio broadcasters are unable to put their FM channels online because of extremely high music royalty rates. In the US on the other hand, music royalty rates are very reasonable and graded basis scale, and small radio broadcasters are able to put their stations online by paying only a small amount. It's the same in many other countries. Radio broadcasters are very keen to put up their FM stations online because many of their fans and followers are unable to listen to them on their mobile phones. Many mobile phones are now coming without FM tuners.

**(7) Music royalties – old order temporarily extended**

As mentioned earlier in point (4) above, the Delhi HC has given an extension to the order of the IPAB passed in December 2020. This order was valid until September 30$^{th}$, 2021. The music industry has demanded lower rates because of the devastating impact that Covid-19 has had on their business.

## C. Operating Performance

**(1) FY22: Revenue grows over FY21, but Covid-19 pares recovery**

After a bad FY21, there was a big expectation that FY22 would be a year of rapid recovery, where the peaks of the pre-pandemic FY20 would be re-captured. When plans for FY22 were drawn up in February 2022, no one had any idea of what was to come in April. The deadly Delta variant of Covid-19 dealt a body blow to the nascent recovery that the Indian economy was seeing. The same happened to Mirchi's business too. Despite Covid-19 however, both the radio industry and Mirchi did grow over FY21. Only they didn't reach anywhere close to their FY20 numbers.

Mirchi's revenues grew by 7.1% in Q1, 46.3% in Q2, 17.1% in Q3 and 0.3% in Q4 of FY22 compared to the same quarters in FY21. Recovery in Q1 was hit by Delta and in Q4 by Omicron. For the full year FY22, Mirchi's revenues grew by 15.2% over FY21. A product-wise analysis is revealing. Core radio grew by 25.9% in FY22. However, the Solutions business fell by 6.2%, mostly because it depends heavily on on-ground activations and concerts which were not possible to execute for most of the year.

While there was growth in revenues compared to FY21, this was a minor recovery. Compared to the pre-pandemic FY20, revenue numbers were still far short. Core radio was still down 38.9% and Solutions down 52.2% compared to FY20.

There is a reason why the Solutions performance lagged core radio's. The Solutions business depends to a great degree on planning and executing on-ground activations, concerts and events that can be broadcast on TV. During the pandemic, all on-ground activities were completely banned by the state governments across the country as large crowd gatherings were considered risky. For example, the iconic Mumbai Marathon, which is a revenue event called Mirchi Get Active for us, has not been executed by its organizer Procam in both Jan 2021 and Jan 2022. Similarly, other reputed IPs of ours such as Mirchi Neon Run, Mirchi Rock & Dhol (garba celebrations), Mirchi Music Awards, Mirchi Top 20 and Mirchi Spell Bee were either cancelled or executed on a smaller scale. Other radio stations who do not have a large Solutions business suffered lesser and reported relatively better growth numbers in FY22 compared to FY21. However, as Covid-19 ends and the Solutions business recovers, we will see a much faster recovery compared to our competitors because the bigger growth will come from Solutions in FY23.

One consequence of the shut-down or reduction in on-ground activities was an improvement in overall Solutions margins. On-ground activities operate at lesser margins compared to other Solutions products. Another reason for margin enhancement was that we substituted the on-ground activities with higher-margin online ideas wherever possible. Solutions margins improved handsomely from 36.4% in FY20 to 51.5% in FY21 to a further 52.0% in FY22. As on-ground activities pick up in FY23, we can expect margins to come down a notch, but not all the way down to FY20 levels, because we plan to keep on-ground at lesser level compared to FY20. One of the lasting gains from the pandemic will be that our Solutions

# Management Discussion & Analysis

business will have emerged more profitable.

**(2) Tight cost management helped reduce losses in FY22:**

We segregate our operational costs into two types – Direct Variable Costs, which relate directly to our Solutions business, and Other Operating Costs, which are costs incurred in running the overall radio operations. Solutions revenues minus DVCs gives us the margins in the Solutions business, which we covered in the previous point.

Other Operating Costs are the "core" operating costs which are incurred in operating the core radio business. Most of these costs are unrelated to revenues and tend to be "fixed" in nature. Whether revenues grow or fall, these costs do not change much in proportion. Because of this, the radio business is a high operating leverage business. In bad years, profits are hit hard, but in good years, the profit growth is equally strong.

The only way Other Operating Costs can be cut is when drastic action is taken. A big achievement for us was the way we reduced these costs during FY21 and FY22. Compared to the pre-pandemic FY20, Other Operating Costs were down by a massive ₹ 91.1 crore in FY21 compared to FY20, from ₹ 293.7 crore to ₹ 202.6 crore. This was a massive drop of 31%. The excellent news is that we retained most of these savings in FY22 as well, with total expenses of ₹ 215.3 crore, still ₹ 78.4 crore down from FY20, down by nearly 27%. The increase in costs in FY22 was just ₹ 12.7 crore. Almost half of this – ₹ 6.8 crore to be precise– was incurred towards setting up our digital platform. Like-to-like cost increase was contained at just ₹ 5.9 crore, or 3% over FY21 numbers. Cost management is key to the radio business in any year. In a pandemic situation, it became even more important.

A more detailed analysis of the costs is revealing. Costs related to the Government hardly fell, as all our pleas to the government fell on deaf ears. Annual License Fees (ALF) which are paid to the Government annually fell just 7% over pre-pandemic FY20, though revenues fell 43.5%. This is because these license fees have a "floor" which is unrelated to revenues. In many stations, we were compelled to pay the floor. Apart from this, there was a saving of just 9% over FY20 levels on "Studio/Transmission" charges, a large component of which is rental fees paid to Prasar Bharati for the transmission tower facilities that we hire from them. The government's reluctance to provide relief to struggling broadcasters hit us hard. A point to be re-emphasized though is that when revenues will climb back again to pre-pandemic levels, these cost heads will not grow proportionately. In FY22 for example, when radio revenues increased by 25.9% over FY21, annual license fees went up by only 1.5% and Studio/ Transmission costs by 4.3%. We will continue to see this pattern in FY23 also.

Costs that we were able to control well include Music royalty, which was down 23.5% over FY21 and down 52.6% over FY20 because of a favourable IPAB order which came in December 2021. The biggest cost head – Personnel costs – was down by a significant 20.5% in FY22 compared to FY20, as were the related staff-welfare costs which were down 60.2% over FY20. Clearly, our people have made huge personal sacrifices during the pandemic. Rent costs were down sharply by 14% compared to FY21 and 27% compared to FY20, as office space was rationalized. However, reported rent costs are different because of the impact of Ind AS 116. Energy costs were down 26.8% compared to FY20, as office space fell, and we chose to transmit at lower power in off-prime hours. Marketing and Sales expenses were down by a massive 50.2% over FY20. Travel and Conveyance costs were cut brutally and were down 83.3% over FY20.

As we emerge from the pandemic and look to rapid and sustained revenue growth in the years ahead, we plan to keep costs down. The pandemic hit us hurt but the silver lining is that we have become a much leaner and fitter company. This will give us sustainable enhancements in profits in the coming years.

**(3) EBITDA grows in FY22 over FY21**

Since revenues grew in FY22 over FY21 and costs grew slower, there was an expansion in EBITDA from ₹ 16.3 crore to ₹ 42.7 crore. However, EBITDA remains significantly lower than ₹ 123.5 crore in FY20. At the PBT level, losses narrowed in FY22 to ₹ 36.4 crore compared to ₹ 79.1 crore in FY21 and a profit of ₹ 18.8 crore in FY20.

Profit after Tax (PAT) was a loss of ₹ 27.5 crore in FY22 compared to a loss of ₹ 109.3 crore in FY21 and a profit of ₹ 14.6 crore in FY20. The FY21 PAT contained the impact of one positive and one negative exceptional item. The positive item was the impact of the music royalty IPAB order which allowed us to write-back past royalty provisions to the extent of ₹ 23.2 crore in Q3. The negative item was Impairment of ₹ 97.5 crore on account of certain Phase-3 stations.

It's important to reiterate here that because of operating leverage, radio results fall very badly when revenue falls, but they can be expected to grow equally strongly when revenues rise. Solid

# Management Discussion & Analysis

cost management in FY21 and FY22 should stand us in good stead in FY23 and beyond.

**(4) Mirchi pricing falls, but capacity utilization rises:**

In line with industry trends, Mirchi's pricing also fell in both FY21 and FY22 compared to FY20. The drop was 30.9% in FY21 and a further 9.5% in FY22. Capacity Utilization degrew 23.8% in FY21 over FY20. However, it bounced back by 38% in FY22 over FY21. The high Capacity Utilization number indicates the strong support radio continues to enjoy with advertisers. Advertisers took advantage of the distress in the radio industry and pushed prices down. But they consumed more ad inventory. Hopefully, prices will start to climb back once the pandemic fully ends and when that happens, the industry may choose to cut ad volumes by a certain extent. However, it is also possible that the high ad volumes may be retained even as prices rise.

**(5) Digital footprint, revenues and share all rise:**

Footprint: Mirchi's digital footprint spans social media, videos posted on YouTube, online radio stations on Gaana and Original Video content and Original podcasts that we make for external platforms like MX Player, Spotify etc. Each one of these has seen rapid growth in FY22. Our social media presence covers Facebook, Instagram and Twitter and between our brand and RJ pages, we have more than 30 million followers on these. On YouTube, we are one of the most successful MCNs (multi-channel networks). We have 13 channels with a combined subscriber base of more than 14 million. Of these, as many as 1.7 million were added in FY22 alone. We uploaded more than 1500 videos during the year. Total views we generated in FY22 were upwards of 691 million with total watch time of more than 781 million hours. These are very high numbers. Despite a not-so-fair ad revenue sharing system that YouTube follows, we still made approximately $250K in revenues directly from our YouTube channels. During the year, we have made original video shows for our own YouTube channels (brand funded) as well as for other platforms like MX Player. We have also made original audio podcasts for Spotify. It is estimated that our combined digital footprint spans more than 60-70 million users. This is even larger than the estimated 50 million monthly reach of FM radio.

Revenues: Over the years, Mirchi has been providing digital solutions to its clients. The usage of digital products within the overall solutions business has also increased. When we design a solution for a client, we include several digital products in the solution like Mirchi's and external digital assets (Facebook, Instagram, YouTube). We are one of very few companies who have the expertise to use even old-generation POTS (plain old telephone system) and VAS (value added services) in developing solutions for media dark or media grey markets. These markets are either geographical – UP, Bihar, Jharkhand etc.– or targets – blue collar workers like painters, mechanics etc.

In addition to the digital solutions, we also make digital content that we monetize via integrated brand advertising. An example of this is the show we made with Kareena Kapoor Khan, called What Women Want, which we released over our Filmy Mirchi channel on YouTube. The show was funded by brand advertising. In addition to advertising led products, we also make original video shows that we "license" to video OTT platforms like MX Player and others.

Total revenues of our digital business were ₹ 25.0 crore in FY22, a notch higher than the pre-pandemic FY20 number of ₹ 23.6 crore. Digital revenues could have been higher, but some of our Solutions IPs, which generate digital revenues, got cancelled or reduced in scale because of restrictions on on-ground activities. These should recover in FY23. The share of digital revenues however increased from 4.4% in FY20 to 8.2% in FY22. We have stated this publicly that we plan to raise the share of digital products to 25% in the years to come.

**(6) Mirchi's international business:**

**North America:**

Mirchi launched its first station in the US on India's Republic Day, Jan 26th, 2019, in the tri-state area of New York, New Jersey, and Connecticut. By the end of May 2019, Mirchi had also expanded to Raleigh-Durham, Philadelphia, Baltimore, Cleveland, Columbus, Atlanta, and St. Louis via a brand licensing arrangement with a local partner, using the HD radio technology. However, our brand licensing agreement covering HD radio stations across several cities in the US under-performed as HD technology was unable to attract advertisers. In FY21, we decided to call off this arrangement. Also, the AM frequency which we had leased in New York was sold by its owner, with Mirchi being paid a "compensation" for the same. Our revenue spinner really was the New Jersey frequency and we were happy to give the New York frequency away.

As of March 2022, we have 2 stations in the US – New Jersey and the Bay Area. In April 2022, we launch our 3rd station in Dallas. These are the 3 biggest radio markets for South Asian radio in the

# Management Discussion & Analysis

US in terms of revenue potential and listenership.

Mirchi also launched a brand new Mirchi Plus app in mid-February 2022, through which listeners could not only listen to Mirchi's US stations but also to 2 online stations created specifically for the US – Mirchi New York and Mirchi Telugu, besides 12 local stations from back home in India, time-shifted to US time. The Mirchi app is available for download on both the Apple and Android app stores in both USA and Canada. US Mirchi is also available on www.radiomirchiusa.com and Amazon Alexa.

We have concrete plans to expand to other key markets like Houston, Austin, Chicago, and other cities in the US, as well as a few cities in Canada, that have a considerable population of South Asians.

**UAE:**

We launched Radio Mirchi in the UAE with a brand licensing agreement with Abu Dhabi Media Corporation (ADMC) in Jan 2012. Since then, we were voted UAE's most loved Hindi Station repeatedly in the Masala Awards. In listenership, we ranked as the No.1 brand across the UAE, across languages – Arabic, Hindi, English, Malayalam, and others. With the efflux of time, our brand licensing and content agreements with ADMC was terminated in June 2020. In March 2021, we re-entered the market, this time in partnership with Dolphin Recording Studio, overhauling their old brand Suno FM to a brand new Mirchi 102.4FM.

One year after entering the market, the response to the Mirchi product has been very encouraging. We are sure that with our continued high-quality programming, we will regain our leadership position soon. Besides core radio, Mirchi will also be more active in events and activations in FY23 (Which was subdued in FY22 due to the pandemic), which we believe will give our listenership a further boost.

The Mirchi Plus app was launched in the UAE in mid-February 2022 and has received a good response so far. On the app, one can listen to the UAE station, 12 local stations from back home in India plus a whole lot of audio stories, videos, and written content. Mirchi UAE is also available on www.mirchi.ae

**Bahrain:**

Mirchi was present in Bahrain under a brand licensing arrangement with a local partner (Adline Media Network) till September 2019, after which our partner decided to surrender the license. After making a bid on our own in November 2019, ENIL won the bid in June 2020. We then relaunched Brand Mirchi in Bahrain on May 9th, 2021, through a 100% owned subsidiary called Mirchi Bahrain WLL.

After more than 12 months in the market, the audience and client feedback has been very good, and we are rapidly growing our business. It is to be noted that Mirchi is the only private station (across languages and formats) in Bahrain.

The Mirchi Plus app was launched in Bahrain too in mid-February 2022 and has been well received. Mirchi Bahrain is also available on www.mirchibahrain.com

**Qatar:**

A shareholder agreement was signed between ENIL, Global Entertainment Network Limited (GENL), Marhaba FM, and Mr. Salem Fahad S E Al-Naemi to operate a radio station in Doha, Qatar. In March 2021 ENIL made an equity investment in GENL that gives us a 49% stake in it. Basis this investment, ENIL is entitled to 75% of distributable profits.

GENL has been conducting business in Doha in accordance with the terms and conditions set out in the Agreement. As part of the business, GENL shall provide services to Marhaba FM in connection with operating the Station under the brand name "MirchiOne" as per the terms and conditions agreed between GENL and Marhaba FM. Despite multiple obstacles faced, including travel restrictions, MirchiOne was launched in Qatar in March 2021 to a rousing welcome by listeners and advertisers.

In the last 12 months, MirchiOne has established itself as the radio station of choice, both for listeners and advertisers in Qatar and the business has grown rapidly.

The Mirchi Plus app was launched in Qatar in mid-February'2022 and has been well received. Mirchi Qatar is also available on www.mirchione.com

**Future expansion into other countries:**

Besides the above 4 Countries, we have plans to expand into a few more countries in the years to come - Any country that has a sizable Indian and South Asian population is a potential market for Brand Mirchi – not only for radio (Terrestrial and through the Mirchi Plus app), but also for events,

# Management Discussion & Analysis

concerts, and digital content. It is therefore clear that the potential for Brand Mirchi in International markets is vast and huge.

**(7) Awards & Recognition won by ENIL[10]**

**ACEF 11th Global Customer Engagement Forum and Award 2022**

- Gold for 'Asian Paints Radio Rangeela' under the award category "Digital Marketing", sub category being "Successful Use Of Technology"
- Gold for 'Gulf Oil Radio Humsafar' under the award category "Non-Tradition Media.", sub category being "Creativity".
- Gold for 'Axis Bank Splash in partnership with Mirchi' under the award category 'Most Admired Customer Engagement for "Events & Promotion" Category with the Sub-Category being "Effectiveness"
- Gold for 'Valvoline Maha Mechanic' under the award category "Most Admired Social Message" sub category being "Effectiveness".
- Gold for 'Ican by The Adani Group' under the award category "Most Admired Social Message" sub category being "Successful Use of CSR Activity".
- Gold for 'Mirchi Murga' under the award category "Most Admired Podcast", sub category being "Comedy"
- Gold for 'RJ Mir' under the award category "Radio Jockey of the Year (Metro)"
- Gold for 'RJ Princy Parikh' under the award category "Radio Jockey of the year (Non-Metro)"
- Gold for 'RJ Simran' under the award category "Young Customer Engagement Professionals of the year (Radio) "
- Gold for 'RJ Pankit' under the award category "Apprentice Jockey of the year"
- Gold for 'Bachpan Bachavo' under the award category " Radio Creativity"
- Gold for 'Tree Idiot Season 6' under the award category " Radio", sub category being "Successful use of CSR activity"
- Bronze for 'Street Stories' under the award category "Radio Effectiveness"

**10th edition of e4m Golden Mikes- Radio Advertising Awards 2022**

- The award for "Most Effective Ad/Campaign on Radio" under the category of "Effectiveness" was given to "Baat Baat pe jobs"
- The award for "Best Use of Radio for Long Term Effectiveness" under the category of "Effectiveness" was given to three Mirchi campaigns - "Flat 983", "Tree Idiot - Vruksho Nu Vavajhodu" & "Mirchi Murga"
- The award for "Best First Time Effective Use of Radio" under the category of "Effectiveness" was given to "Sunday Suspense Hindi"
- The award for "Best Single Commercial-FMCG-Food & Beverages, Personal and Homecare, Beauty & Cosmetics" under the category of "Creativity" was given to "Rahul Cha Mirchi Murga"
- The award for "Best On Air Promotion for a Client- Multiple Station" under the category of "Promotion" was given to Mirchi for three campaigns - "Rpyal Stag – In It To Win It", "LIC Foundation Day" & "ISL Radio Football Rivalry 2020"
- The award for "Best On Ground Promotion by a Single Radio Station for a Client" under the category of "Promotions" was given to Mirchi for the campaign "Gala #WhyJustCleamHomesDiwali 21"
- The award for "Best Promotion on Digital for a Client" under the category of "Promotions" was given to Mirchi for the campaign "Canara HSBC - Me For My City"
- The award for "Best Innovation on Radio" under the category of "Innovations" was given to "Baat Baat pe jobs"
- The award for "Most Unique Programming Concepts /Ideas" under the category of "Broadcasters" was given to "Relaxiya"
- The award for "Best Program Launch on Radio" under the category of "Broadcasters" was given to "Sunday Suspense Hindi"
- The award for "Best Digital/Web Streaming by a Radio Network" under the category of "Broadcasters" was given to "Mirchi Murga"
- The award for "Best Show Integration" under the category of "Broadcasters" was given to "Filmy Mirchi - Shape Of You"
- The award for "Best Radio Jingle for Client/ Self" under the category of "Broadcasters" was given to two Mirchi campaigns - "The Shot is Hot" & "Dot Bhi Shot Bhi"
- The award for "The Best Show" under the category of "Broadcasters" was given to "Sunday Suspense Hindi"

**Source: 10**

- https://globalcustomerengagement.com/Past_Events/winners/ACEF-Global%20Customer%20Engagemment%20Forum%20and%20Awards.html
- https://e4mevents.com/golden-mikes-2022/shortlist
- https://radio.newyorkfestivals.com/Winners/list/b0203a69-d665-4bad-8247-3df57533420c
- https://www.talentrackawards.in/winners2021
- https://brandequity.economictimes.indiatimes.com/microsite/spott-awards2021/winners-list

# Management Discussion & Analysis

- The award for "Best Ad/Campaign on Radio in the East Region" under the category of "Regional Language Radio" was given to Mirchi for the campaign "ISL Radio Football Rivalry 2020"

**New York Festivals Radio Awards 2021**

- Bronze Award Winner for "Pride Wala Love" under the award-category "Documentary: Human Rights".
- Finalist Award for "Baat Baat Pe Jobs (It's Raining Jobs)" under the award-category "Entertainment: Best Special Event".
- Finalist Award for "Darjeeling Jomjomat" under the award-category "Audio Books: Best Audio Book - Fiction".
- Finalist Award for "Udd Ke Jayega Kya" under the award-category "Craft: Best Original Music".
- Finalist Award for "Mirchi Gully Gang" under the award-category "News: Reports/Features: Best Coverage Of Ongoing News Story".

**Talent Track Awards 2021**

- For the web show 'Aani Kay Hava' created by Mirchi Originals, Priya Bapat won the award under the category 'Best Actor- Female-Regional'
- For the web show 'Aani Kay Hava' created by Mirchi Originals, Priya Bapat and Umesh Kamat won the award under the category 'Digital Jodi Of The Year'
- For the web show 'What Women Want' created by Mirchi Originals, Kareena Kapoor won the award under the category 'Best Anchor'

**3rd Edition of ETBrand Equity Spott Awards, 2021**

- Bagged Gold for the web show 'Baykola Hava Tari Kay' created by Mirchi Originals, Shreya Bugde won the award under the category 'Performance in a Comic Role- Web Series (Male/Female)

**(8) HR Initiatives**

**Mirchi Cares:** As the deadly 2nd wave of Covid-19 ravaged the country, we focused on taking care of our team members and their loved ones.

- **Special Covid-19 sick leaves** were introduced for members who had tested Covid-19 positive. We allowed these leaves even if an employee's family member was Covid-19 positive, so that he or she could take care of the family member.
- Using our group's resources, we organized **vaccination camps** for employees and their families. We included extended family members like maids, drivers, etc. We also reimbursed complete vaccination costs of our team members and their families if they have got vaccinated on their own.
- Realizing that the pandemic often necessitated enhanced expenditures on medical grounds we introduced a **Covid-19 Emergency Loan** for our workforce to avail of.
- As the 2nd wave started ebbing, we realized that worries around health and safety, and increased screen time due to WFH was leading to high levels of stress in our people. To reinforce "Break from Work", we introduced a special **Recharge leave for 5 days & encouraged our people to** take time off from work and insisted that this break be spent with family & friends.

**Investment in People Development:** During the times of Covid-19 & WFH, we emphasized online learning via our learning app 'Mirchi classroom' - be it online induction programs or webinars facilitated by inhouse subject matter experts, or tie ups with 3rd party organizations that had a library of learning content. We encouraged both group learning for specific team cohorts and self-paced individual learning. Our people consumed about 1500 courses online, clocking about 1800 learning hours.

To improve personal effectiveness, we have a yearly feedback mechanism which helps managers reflect on their work styles and ways to improve working relationship with teams. The feedback results are followed by workshops where improvement areas and action points are decided.

We have an AI enabled BOT called 'Amber', who reaches out to our people at regular intervals. These conversations with Amber give us a complete view on matters such as organization, culture, career progression, learning and job satisfaction. These conversations help us reflect and design better people practices and processes. For the year FY22, our NPS scores continue to be in the high range of 90%, while our engagement scores hovered around 86%.

**Our People and their Growth:** As a philosophy, we have always looked at internal talent first for any career and job opportunities that come up. We have a defined regular promotion & fast track promotion policy & in combination with our robust performance management practices, we promote around 15% of our workforce every year. Regular career conversations & structured 3rd party led assessment centers along with various other data points of experience, and past performance are collated to plan for succession into key roles

# Management Discussion & Analysis

& also for grooming promising junior and middle managers for bigger roles in the company.

**Revenue sharing with creative teams:** We have also launched a first-in-radio-industry HR practice of a sharing Solutions revenues with our top creative talent. This unique practice makes our creators financial partners with us helping build a stronger bond with the company.

## D. Risks, Concerns and Challenges Facing the Company

(1) **High operating leverage – vulnerability to black swan events:**

The radio industry has a high operating leverage. Costs are more fixed than variable. Costs can be reduced only in a step manner, and the effort involved in doing so is very high. In black swan events like the Covid-19 pandemic, radio companies are placed particularly disadvantageously because their revenues crash but costs don't fall equally fast. In contrast, newspaper companies can reduce costs by cutting pagination, reducing quality of paper and reducing the number of copies printed. TV companies reduce costs as show production reduces. The flip side of this is that when a recovery takes place, and revenues rise, the profits of the company rise faster than they do for TV and print companies.

(2) **Slowing radio growth, changing listener profile:**

All traditional media is facing a growth challenge. Digital businesses are disrupting them. In the developed world, the newspaper industry has taken a big hit, but radio and TV have been far more resilient. Even in India, the TV industry has shown to be resilient. However, with every passing year, TV is losing its viewers to digital OTT platforms. Radio is also challenged by the growth of the digital media. Many mobile phone devices, especially the high end ones, come without FM tuners. Users of such phones have no option but to consume music on OTT apps. A lot of youngsters are thus going out of the reach of radio. On the other hand, consumption of radio in cars is increasing as car penetration is increasing and traffic jams are leading people to spend more time in cars. Digital products have entered the car, but their penetration is low. FM radio has a natural advantage because of the ease of use, the infotainment that it provides and the companionship that RJs offer.

(3) **Ad volume increase is making the listener experience deteriorate:**

Radio broadcasters are forced to play more ads, to offset the reduction in effective rates, the listener experience has deteriorated. If this is not corrected quickly, it could become another reason for listeners to move to digital platforms.

(4) **Operational and Financial Risks:**

The Risk Management Framework of the Company is regularly reviewed by the Board. Risks are reviewed and new risks are added to the framework as required. The management of the Company recognized the pandemic as a black swan event which disrupted our business. As a conscious strategy to better handle similar black swan events in the future, the Company has decided to transform even faster towards a digital-first avatar. Despite that, the Company does remain vulnerable to other unknown black swan events.

## E. Segment- Wise Financial Performance

Management Discussion and Analysis of the Company's operations together with the discussion on financial performance with respect to operational performance should be read in conjunction with the financial statements and the related notes.

(1) **ENIL – Radio Mirchi:**

On account of the Delta variant in the 1st quarter of FY22 and the Omicron variant in the 4th quarter, the company's results were negatively impacted. A full recovery from the FY21 lows that was expected could not materialize. Revenues and EBITDA did improve from FY21 levels, but they were far short of the pre-pandemic FY20 numbers.

Revenues grew 14.7% over FY21 to ₹ 305.9 crore and EBITDA grew 162.4% to ₹ 42.7 crore. PBT improved with a loss of ₹ 36.4 crore in FY22 compared to a loss of ₹ 79.1 crore excluding exceptional items in the previous year. Including impact of exceptional items, the PBT for FY21 was a loss of ₹ 153.4 crore. PAT also improved to a loss of ₹ 27.5 crore from a loss of ₹ 109.3 crore in FY21.

(2) **Subsidiary Companies:**

The Company has the following subsidiaries:

- Alternate Brand Solutions (India) Limited (ABSL), a 100% subsidiary based in India. ABSL recorded a total income of ₹ 89.52 lakhs during the financial year ended March 31, 2022. Profit after Tax stood at ₹ 32.57 lakhs for the financial year ended March 31, 2022.
- Entertainment Network, INC (EN, INC) and a step-down subsidiary, Entertainment Network, LLC (EN, LLC) based in the United States of America. EN, INC is a 100% subsidiary of the Company. EN, LLC is the 100% subsidiary of EN, INC. EN, INC recorded

# Management Discussion & Analysis

a total consolidated income of ₹ 1,000.46 lakhs during the financial year ended March 31, 2022. Consolidated loss after Tax stood at ₹ (617.88) lakhs for the financial year ended March 31, 2022.

- Global Entertainment Network Limited (GENL) (A company incorporated under the laws of the State of Qatar having its registered office in Doha, Qatar). In March 2021, the Company acquired 49% equity of GENL. The remaining 51% of equity stake is owned by another Company (Marhaba FM). Basis the shareholding agreement executed by the Company with Marhaba FM, the Company has controlling interest over GENL. As a result, the investment made in GENL is treated as an investment in subsidiary as per Ind AS 110-Consolidated Financial Statements. GENL recorded a total income of ₹ 472.86 lakhs during the financial year ended March 31, 2022. Profit after Tax stood at ₹ 38.03 lakhs for the financial year ended March 31, 2022.
- Mirchi Bahrain WLL based in the Kingdom of Bahrain, a 100% subsidiary of the Company. Mirchi Bahrain WLL became a wholly owned subsidiary of the Company in April 2021. Mirchi Bahrain WLL recorded a total income of ₹ 393 lakhs during the period ended March 31, 2022. Consolidated loss after Tax stood at ₹ (315.43) lakhs for the period ended March 31, 2022.

## 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 Risk Management Committee, Audit Committee and 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.

The Company has adopted Integrated Reporting. The information related to the Integrated Reporting forms part of the Management Discussion & Analysis.

**Material Developments in Human Resources/ Industrial Relations front, including Number of People Employed:**

Specific need-based training and development programs for employees at all levels 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, 2022, the employee strength (on permanent roll) of the Company was 965.

**Details of significant changes (i.e. changes of 25% or more as compared to the immediately previous financial year) in key financial rations, along with detailed explanations:**

| Type of services | | FY22 | FY21 |
|---|---|---|---|
| i. | Debtors Turnover | 2.99 | 2.29 |
| ii. | Inventory Turnover | N.A. | N.A. |
| iii. | Interest Coverage Ratio | N.A. | N.A. |
| iv. | Current Ratio | 3.26 | 3.28 |
| v. | Debt Equity Ratio | N.A. | N.A. |
| vi. | Operating Profit Margin (%) | 13.95 | 6.09 |
| vii. | Net Profit Margin (%) | (8.54) | (38.40) |
| viii. | Return on Net worth (%) | (3.54) | (12.66) |

Debtors Turnover ratio: In the current year, the ratio has increased due to increase in the revenue.

Operating Profit Margin: The change in the Operating Profit Margin is on account of increase in total revenue and continuous cost savings initiatives.

Net profit Margin: Negative Net Profit Margin in FY22 is due to lower revenue on account of sustained impact of Covid-19 and high operating leverage.

Return on Net Worth (RONW): Negative Return on Net Worth in FY22 is due to lower revenue on account of sustained impact of Covid-19 and high operating leverage.

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

sd/-

Vineet Jain

Chairman

Mumbai, May 6, 2022 [DIN: 00003962]

**Registered Office:**
**Entertainment Network (India) Limited**
CIN: L92140MH1999PLC120516,
4th Floor, 'A' Wing, Matulya Centre,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013.

www.enil.co.in

# Management Discussion & Analysis

## INTEGRATED REPORTING:

Integrated reporting refers to representation of the financial and non-financial performance of a company in a single report. This helps in providing a greater context to the non-financial data such as how the company performs on environmental, social and governance (ESG) parameters, how sustainability is embedded in the core business strategy etc.

Integrated Report of the Company is for the financial year ended March 31, 2022 and forms part of the Management Discussion & Analysis report. This report is based on the Integrated Reporting (IR) framework prescribed by the International Integrated Reporting Council (IIRC) and the Company has followed the applicable guiding principles as prescribed by IIRC, while presenting this integrated report. This report primarily captures the business model of the Company and how does the Company create, sustain and enhance the value.

About the purpose of the business and business model:

1. **Purpose of the business:**
   ENIL is a city-centric music and entertainment company, which conducts business via its brands – Radio Mirchi, Mirchi Plus, Mirchi 95, Mirchi Love and Kool FM. It produces content in the music and entertainment space and distributes this content via different means – FM radio/own digital app/web/external digital apps like Facebook/ Instagram/ YouTube/ MX Player/ Gaana/ Spotify and others/On-ground activities/TV shows and others. Its FM business is spread across 63 cities in India and also in a few cities in the USA, UAE, Qatar and Bahrain. Its digital content is available across various geographies and in many cases, globally.

2. **Business model:**
   The core of our business model involves monetizing our listenership, viewership, readership and footfalls via advertising/licensing/direct selling to its users. We accept audio ads on our FM network. We accept brand sponsorships for our video content that we release of TV or YouTube or social media like Facebook, Instagram or Twitter. We also get licensing revenues by giving limited rights to our video content (web series/ similar content) to OTT platforms like MX Player and others. We also make money by selling ad inventory and sponsorship of other media owners. For example, we sell events organized by others. In the events that we organize on ground, we often earn ticket sales revenues as well as revenues via F&B and other such direct-consumer-spends. About 2/3rd of our revenues come from core FM radio and the rest from all the other sources mentioned above.

3. **Resources needed to carry out the business:**
   There are several resources that are needed to run a company like ENIL. First and foremost are financial resources. The Company has won FM radio frequencies through auctions held by the Government of India over several years. As per government policy, the Company has had to pay the entire auction value (called "One Time Entry Fee") as an advance. Financial resources are also needed to build and operate studios and transmission facilities and offices in 63 cities in which we operate and in countries apart from India where we operate. Apart from financial resources, the most important resource that is at the heart of a media and entertainment business is human resources. There are creative people who create content and build a community of listeners and viewers. There are sales and marketing people who monetize this listenership and viewership. There are many other support people who ensure the Company's operations run smoothly.

4. **Along the way – in doing business how does it impact the 6 capitals**
   Financial capital is required first to take part in auctions conducted by the Government and in setting up studios and transmission facilities. There are huge advances to be paid to the Government once the frequency is won in the auctions. Financial capital is also needed to fund working capital, advances to be paid, and other requirements. Then there is Human Capital, one of the most important part of any creative organization. We employ 965 people, spread across creative, digital, sales, marketing, HR, finance, legal and other functions. It is on the back of these people that Mirchi has become the leader in its line of business. Then there is Intellectual capital in the form of various Intellectual Properties that the Company owns. Brand Mirchi is one of the most powerful brands in the country. Then there are other IPs that belong to the Company including iconic properties like the Mirchi Music Awards, the Mirchi Cover Star, the Mirchi Rock & Dhol, the Mirchi Neon Run, the Mirchi Top 20 and so many more. Our IPs help build strength for the Company in operations in all countries. To a limited extent, we also use manufactured capital when we produce (manufacture) events and concerts on-ground. Social and relationship capital is very important in our business because sustained business growth requires us to maintain a strong bond with our listeners, viewers, reads, event attendees and our advertisers.

5. **Inputs: most material for the organization:**
   As covered above, financial capital, human capital, social and relationship capital and intellectual capital are the most important "materials" for the organization.

**Kind of capital we depend upon and how we delivered value:**

1. **Financial capital and Manufactured capital:**
   Financial capital refers to the pool of funds available

# Management Discussion & Analysis

to an organization for use in the production of goods or provision of services, which is obtained through financing, such as equity, debt or generated through operations or investments. Manufactured capital refers to the manufactured physical objects that are available to an organization for use in the production of goods or the provision of services, including building, equipment, infrastructure, etc. Kindly refer to the Board of Directors' Report (Para 1: Financial Highlights, Para 2: Financial Performance, Operations and State of the Company's affairs), Financial Statements; read with the Management Discussion & Analysis report (Para C: Operating Performance).

2. **Intellectual capital:**

As mentioned earlier, intellectual capital is represented in the form of the Company's IPs. The most important IP is brand Mirchi itself. There are several other IPs that the Company has created that are mentioned in a previous section.

3. **Human Capital:**

As on March 31, 2022, the employee strength (on permanent roll) of the Company was 965. 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. The Company constantly focuses on various measures in providing training & development, employees empowerment, constructive evaluation and employees engagement. Kindly refer to the Management Discussion & Analysis report (Para C: Operating Performance - HR Initiatives).

4. **Social and Relationship Capital:**

This relates to the relationships within and between communities, group of stakeholders and other networks, and ability to share information to enhance individual and collective well-being. Kindly refer to the Management Discussion & Analysis report (Para C: Operating Performance).

5. **Natural Capital:**

The Company is in the business of Media & Entertainment. 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.

**How we create value:**

- We create value by producing high-quality entertainment shows, in audio/video/text and on-ground forms.
- We create value by monetizing the listenership, viewership, readership and footfalls we general from our content.
- We create value by empowering our team members to build a culture of creativity in the company.
- The value we create is recognized by the awards we receive: Kindly refer to the Management Discussion & Analysis report (Para C: Operating Performance - Awards & Recognition).
- CSR initiatives: Relevant details regarding CSR Policy development and implementation has been stated in the Directors' Report at para 12 (CSR Committee) read with the as *Annexure B* to the Board of Directors' Report.

**How we sustain and enhance the value:**

- Application of good corporate governance practices: 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']. Kindly refer to the separate *report on Corporate Governance*, enclosed as a part of the Board of Directors' Report.
- Set of various Policies and Code of Conducts:

  In compliance with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted various policies and codes in accordance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. Kindly refer to the separate *report on Corporate Governance*, enclosed as a part of the Board of Directors' Report.
- Risk Management: Kindly refer to the Board of Directors' Report (para 31 – Risk Management).

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

sd/-

**Vineet Jain**
Chairman
[DIN: 00003962]

Mumbai, May 6, 2022

**Registered Office:**
**Entertainment Network (India) Limited**,
CIN: L92140MH1999PLC120516,
4th Floor, 'A' Wing, Matulya Centre,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013.

www.enil.co.in

# Independent Auditor's Report

**To the Members of Entertainment Network (India) Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

1. We have audited the accompanying standalone financial statements of **Entertainment Network (India) Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of revenue and related contract costs for branded and managed solutions business**<br><br>The Company earns revenue from providing branded and managed solutions business that involves providing various services which includes managing and organising Concerts, Award shows, on air properties, brand licensing, multimedia and digital services and managing intellectual properties and activities or events of clients. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115').<br><br>Refer Note 26 for the revenue recorded for the year pertaining to aforesaid business and Note 2(ii) for the related accounting policy adopted by the management in this respect.<br><br>These services involve multiple performance obligations and transaction price is allocated to such identified separate performance obligations as per standalone selling prices determined by the management for such performance obligations. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained Company's accounting policies pertaining to revenue recognition and assessed compliance with the requirements of Ind AS 115.<br><br>▪ Obtained an understanding of the management's process, and evaluated the design and tested the operating effectiveness of controls around revenue recognition from branded and managed solutions business including for identification of performance obligations and allocation of transaction price towards such performance obligations.<br><br>▪ On a sample basis, read the contracts and inspected other supporting documents/evidence to evaluate appropriateness of management's evaluation of identification of contractual obligations/ deliverables to the customers, determination of progress of completion of these deliverables and recording of related revenues and costs incurred along with the |

# Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Further, given the nature of these contracts, revenue recognition involves estimation to determine the extent of performance obligations satisfied and the proportion of contract costs incurred to date and costs that are to be recognized as 'contract assets' under the requirements of Ind AS 115, which involves significant management judgments.<br><br>Given the significant estimation involved for branded and solutions business, we have identified this as a key audit matter. | estimation of balance performance obligations and related revenues and costs to complete the remaining contractual obligations, pertaining to such contracts.<br><br>▪ Evaluated the adequacy for disclosure made by the management in the accompanying standalone financial statements in respect of revenue recognition from the specified business in accordance with the requirements of applicable financial reporting framework. |
| **Expected credit losses ('ECL') on trade receivables**<br><br>The Company assesses impairment provision for doubtful receivables, based on Expected Credit Loss (ECL) model, as per Ind AS 109, Financial Instruments to state the entity's trade receivables to their carrying amount, which approximates their fair value. Management evaluates and calculates the expected credit losses using a provision matrix based on historical credit loss experience, specific reviews of customer accounts, experience with such customers, current economic and business conditions and industry assessment. In calculating expected credit loss, the Company has considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Company has trade receivables (net of provision) of ₹ 12,679.44 lakhs and provision of ₹ 2,958.34 lakhs as on balance sheet date.<br><br>The appropriateness of the provision for expected credit loss is subjective due to the high degree of judgment applied by management in determining the provisioning matrix. Due to the significance of trade receivables and the related estimation uncertainty this is considered as a key audit matter in the current year. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained understanding of management's process over credit origination, credit monitoring and credit remediation by evaluating the Company's impairment policy and methodology;<br><br>▪ Evaluated management's continuous assessment of the assumptions used in the impairment provision matrix. These considerations include whether there are regular receipts from the customers, the Company's past collection history as well as an assessment of the customers' credit ability to make payments.<br><br>▪ Obtained the ageing analysis of trade receivables and tested on a sample basis, the ageing of trade receivables at year end and discussed with management the reasons of any long outstanding amounts where no provisions were recorded and also evaluated management's assumptions used in determining the impairment provision, through detailed analyses of ageing of receivables, assessment of material overdue individual trade receivables and past trends of bad debts charged to the statement of profit and loss.<br><br>▪ Assessed the reasonableness of management's procedures to ascertain recoverability from the customers/sectors which have been impacted significantly due to COVID-19 by evaluating their payment patterns including subsequent payment testing.<br><br>▪ Verified mathematical accuracy of provision computation based on model considered by the management.<br><br>▪ Assessed the adequacy for disclosure made by the management in the accompanying standalone financial statements in respect of ECL in accordance with the requirements of applicable financial reporting framework. |

# Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment Assessment of Property, plant and equipment, Right-to-use of assets and Intangible assets**<br><br>The Company has non-financial assets in the form of Property, Plant and Equipment, Right-to-use of assets and Intangible assets ('specified non-financial assets') which are carried at cost less accumulated depreciation/amortization and impairment (if any) amounting to ₹ 5,794.13 lakhs, ₹ 15,045.72 lakhs and ₹ 39,453.45 lakhs respectively as at 31 March 2022.<br><br>As at 31 March 2022, in view of recent business losses which was determined to be an impairment indicator under the requirements of Ind AS 36, Impairment of Assets ('Ind AS 36'), the Company has performed an impairment assessment of all the specified non-financial assets using discounted cash flow method to assess the value-in-use of such assets, which requires judgement in respect of certain key inputs such as future cash flows, determining an appropriate discount rate, etc.<br><br>Based on the aforesaid assessment the Company has not recorded further impairment charge against the non-financial assets during the year ended 31 March 2022 including for the assets related to 'Mirchi Love' and 'Kool FM', as the recoverable amount is higher than the carrying value.<br><br>We considered impairment assessment of property, plant and equipment, right-to-use of assets and intangible assets as a key audit matter in the current year audit because of the significant judgement and management estimates involved around impairment assessment. | **Our audit procedures included, but were not limited to, the following:**<br><br>▪ Obtained an understanding of and evaluated the process and controls designed and implemented by the management to assess the potential impairment of non-financial assets. Further, tested the operating effectiveness of such controls during the year.<br><br>▪ Evaluated the Company's accounting policy in respect of impairment assessment, and the methods and models used to determine the recoverable amounts of property, plant and equipment, right-to-use of assets and intangible assets, in accordance with the requirements of Ind AS 36.<br><br>▪ Reviewed the process of determination of the level at which the impairment assessment was performed by the Company and assessed that the same is in line with the requirements of Ind AS 36 considering the nature of the Company's operations.<br><br>▪ Involved our internal valuation experts and reviewed the appropriateness of the key valuation assumptions including the discount rates used within the discounted cash flow model.<br><br>▪ Evaluated the reasonableness of the key inputs and assumptions such as growth rates, etc. used by the management in cash flow projections basis our understanding of the business and by comparing it with readily available market information and underlying macro-economic factors.<br><br>▪ Performed sensitivity analysis on the assumptions used in projections to ensure significant headroom.<br><br>▪ Compared the carrying value of the net assets with the estimated discounted future cash flows determined by the management and ensured arithmetical accuracy of management impairment assessment workings as above.<br><br>▪ Evaluated the adequacy of the disclosures made in the standalone financial statements, in respect of impairment assessment of specified non-financial assets as required by applicable financial reporting framework. |

# Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability assessment of deferred tax assets**<br>As detailed in note 10A to the standalone financial statements, the Company has deferred tax assets ('DTA') (net) amounting to ₹ 3,109.44 lakhs outstanding as at 31 March 2022 which includes ₹ 5,475.39 lakhs of DTA recognised on Minimum Alternate Tax ('MAT') credit and ₹ 2,630.51 lakhs DTA recognised on brought forward business losses.<br><br>Refer Note 2(xiv) for the related accounting policy adopted by the Company on deferred tax.<br><br>The Company's ability to utilise the deferred tax assets is assessed by the management at the close of each reporting period and it depends upon the forecasts of future results that the Company expects to achieve within the period by which such MAT credit and brought forward business losses may be adjusted as governed by the provisions of the Income Tax Act, 1961.<br><br>As per the management's assessment, the financial projections show a significant increase in profitability over the coming years, which will result in increase in income tax liability against which the available MAT credit and brought forward business losses can be utilised as mentioned above.<br><br>Such financial projections about the growth in business operations and activities involves significant management judgement and estimates.<br><br>We have identified recoverability assessment of deferred tax assets based on expected utilisation of MAT credit and brought forward business losses, as a key audit matter in the current year audit considering the materiality of the amounts and significant judgment involved in estimation of future taxable profits and the probability of utilising the MAT credit and tax losses. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained understanding and evaluation of the process and controls designed and implemented by the management over recognition and recoverability assessment of DTA based on the evaluation of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets on MAT credit and Business losses within the time prescribed by income tax laws. Further, tested the operating effectiveness of such controls.<br><br>▪ Obtained the financial projections prepared by the management and verified the cash flow forecasts used in the recoverability assessment of DTA to the approved business plans.<br><br>▪ Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. Obtained understanding from the management about the predicted business growth and viability of achieving those projections.<br><br>▪ Evaluated management's assessment of time period available for adjustment of such deferred tax assets on MAT credit and Business losses as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets on MAT credit and business losses as per the requirements of Ind AS 12, Income Taxes.<br><br>▪ Assessed the adequacy of the disclosures made in the standalone financial statements in respect of aforesaid DTA balances in accordance with the requirements of applicable financial reporting framework. |

### Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

# Independent Auditor's Report

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

# Independent Auditor's Report

standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, Chartered Accountants, who has expressed an unmodified opinion on those standalone financial statements vide their audit report dated 15 June 2021.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

# Independent Auditor's 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 42 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 36 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

**Ashish Gupta**
Partner
Membership Number: 504662
UDIN: 22504662AIMMFE9017

Place: Mumbai
Date: 06 May 2022

# Annexure
## to the Independent Auditor's Report

**Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Entertainment Network (India) Limited on the standalone financial statements for the year ended 31 March 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment properties.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, right of use assets and investment properties have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in four subsidiaries, amounting to ₹ 3,221.89 lakhs as at 31 March 2022 and in our opinion, and according to the information and explanations given to us, the investments made are, prima facie, not prejudicial to the interest of the Company.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

# Annexure
## to the Independent Auditor's Report

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, and according to the information and explanations given to us,the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of radio broadcasting services provided by the Company. For such services, 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 the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Amount (₹) (Net of payment under protest)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 203,535,281 | Assessment Year 2013-14 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 14,374,870 | Assessment Year 2017-18 | Commissioner of Income Tax (Appeals) |

*Payment under protest ₹ Nil

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

# Annexure
## to the Independent Auditor's Report

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) and clause 3(ix)(f) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) The whistle blower complaint received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

**Ashish Gupta**
Partner
Membership Number: 504662
UDIN: 22504662AIMMFE9017

Place: Mumbai
Date: 06 May 2022

# Annexure
## to the Independent Auditor's Report

**Annexure II to the Independent Auditor's Report of even date to the members of Entertainment Network (India) Limited on the standalone financial statements for the year ended 31 March 2022**

### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Entertainment Network (India) Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India"('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone 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 standalone financial statements.

# Annexure

## to the Independent Auditor's Report

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

**Ashish Gupta**
Partner
Membership Number: 504662
UDIN: 22504662AIMMFE9017

Place: Mumbai
Date: 06 May 2022

## STANDALONE
# Balance Sheet

(₹ in lakhs)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 5,794.13 | 6,588.50 |
| Right-of-use assets | 4 | 15,045.72 | 15,202.41 |
| Capital work-in-progress | 5 | 59.92 | 172.90 |
| Investment properties | 6 | 217.95 | 225.14 |
| Other intangible assets | 7 | 39,453.45 | 43,910.22 |
| Financial assets | | | |
| Investments | 8 | 3,221.89 | 1,964.08 |
| Other financial assets | 9 | 2,135.54 | 2,303.46 |
| Deferred tax assets (net) | 10A | 3,109.44 | 2,209.93 |
| Income tax assets (net) | 10B | 2,780.51 | 2,211.03 |
| Other non-current assets | 11 | 568.08 | 1,074.49 |
| **Total non-current assets** | | **72,386.63** | **75,862.16** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 8 | 20,558.36 | 21,201.71 |
| Trade receivables | 12 | 12,679.44 | 11,378.95 |
| Cash and cash equivalents | 13 | 497.16 | 557.47 |
| Bank balances other than cash and cash equivalents | 14 | 1.28 | 1.25 |
| Other financial assets | 15 | 311.00 | 417.87 |
| Other current assets | 16 | 1,485.46 | 1,393.21 |
| **Total current assets** | | **35,532.70** | **34,950.46** |
| **TOTAL ASSETS** | | **107,919.33** | **110,812.62** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 4,767.04 | 4,767.04 |
| Other equity | 18 | 72,406.85 | 75,672.31 |
| **Total equity** | | **77,173.89** | **80,439.35** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | 19 | 18,788.19 | 18,735.32 |
| Employee benefit obligations | 20 | 1,056.31 | 979.74 |
| **Total non-current liabilities** | | **19,844.50** | **19,715.06** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 21 | | |
| (A) total outstanding dues of micro enterprises and small enterprises | | 41.82 | 21.67 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,136.58 | 7,536.86 |
| Lease Liabilities | 22 | 1,378.33 | 1,459.74 |
| Other financial liabilities | 23 | 513.97 | 263.27 |
| Other current liabilities | 24 | 1,598.93 | 1,183.07 |
| Employee benefit obligations | 25 | 231.31 | 193.60 |
| **Total current liabilities** | | **10,900.94** | **10,658.21** |
| **TOTAL EQUITY AND LIABILITIES** | | **107,919.33** | **110,812.62** |
| Significant accounting policies and other explanatory information | 1-55 | | |
| The above Standalone Balance Sheet should be read with the accompanying notes | | | |

This is the Standalone Balance Sheet referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Ashish Gupta**
Partner
Membership No. 504662

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

Place : Mumbai
Dated : May 6, 2022

## STANDALONE
# Statement of Profit & Loss

(₹ in lakhs)

| | Notes | For the year ended March 31 2022 | For the year ended March 31 2021 |
|---|---|---|---|
| Revenue from operations | 26 | 30,591.70 | 26,681.72 |
| Other income | 27 | 1,598.49 | 1,772.92 |
| **Total Income** | | **32,190.19** | **28,454.64** |
| **Expenses** | | | |
| Employee benefits expense | 28 | 10,575.20 | 9,238.26 |
| Finance costs | 29 | 1,616.26 | 1,832.21 |
| Depreciation and amortisation expenses | 30 | 7,884.07 | 9,479.88 |
| Operating and other expenses | 31 | 15,750.25 | 15,817.58 |
| **Total Expenses** | | **35,825.78** | **36,367.93** |
| **Loss before exceptional items and tax** | | **(3,635.59)** | **(7,913.29)** |
| Exceptional items | 49 | – | (7,426.39) |
| **Loss before tax** | | **(3,635.59)** | **(15,339.68)** |
| Tax expense: | 32 | | |
| Current tax | | – | – |
| Deferred tax | | (887.53) | (4,445.74) |
| Deferred tax of earlier years | | – | 32.77 |
| **Total tax expenses** | | **(887.53)** | **(4,412.97)** |
| **Loss for the year** | | **(2,748.06)** | **(10,926.71)** |
| **Other Comprehensive Income (OCI)** | | | |
| Items that will not be reclassified to profit or loss | | | |
| – Remeasurement of post employment benefit obligations | | (53.84) | 26.50 |
| – Income tax relating to items that will not be reclassified to profit or loss | | 13.14 | (7.68) |
| **Total other comprehensive income for the year, net of tax** | | **(40.70)** | **18.82** |
| **Total comprehensive income for the year** | | **(2,788.76)** | **(10,907.89)** |
| **Earnings per equity share [nominal value per share: ₹ 10 (March 31, 2021: ₹ 10)]** | | | |
| – Basic | 40 | (5.76) | (22.92) |
| – Diluted | | (5.76) | (22.92) |
| Significant accounting policies and other explanatory information | 1-55 | | |

The above Standalone Statement of Profit and Loss should be read with the accompanying notes

This is the Standalone Statement of Profit and Loss referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

**Ashish Gupta**
Partner
Membership No. 504662

Place : Mumbai
Dated : May 6, 2022

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

## STANDALONE
# Statement of Changes in Equity

**A. Equity Share capital**

**As at March 31, 2022** (₹ in lakhs)

| Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during year ended March 31, 2022 | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 4,767.04 | — | — | — | **4,767.04** |

**As at March 31, 2021**

| Balance as at April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during year ended March 31, 2021 | Balance as at March 31, 2021 |
|---|---|---|---|---|
| 4,767.04 | — | — | — | **4,767.04** |

**B. Other Equity**

**As at March 31, 2022** (₹ in lakhs)

| Particulars | Reserves and Surplus | | Total Other Equity |
|---|---|---|---|
| | Securities premium (Refer Note a below) | Retained earnings (Refer Note b below) | |
| **Balance as at April 1, 2021** | **18,852.16** | **56,820.15** | **75,672.31** |
| Changes in accounting policy or prior period errors | — | — | — |
| Restated balance as at April 1, 2021 | — | — | — |
| Total Comprehensive Income for the year ended March 31, 2022 | — | (2,788.76) | **(2,788.76)** |
| Dividends | — | (476.70) | **(476.70)** |
| Transfer to retained earnings | — | — | — |
| **Balance as at March 31, 2022** | **18,852.16** | **53,554.69** | **72,406.85** |

**As at March 31, 2021**

| Particulars | Reserves and Surplus | | Total Other Equity |
|---|---|---|---|
| | Securities premium (Refer Note a below) | Retained earnings (Refer Note b below) | |
| **Balance as at April 1, 2020** | **18,852.16** | **68,204.74** | **87,056.90** |
| Changes in accounting policy or prior period errors | — | — | — |
| Restated balance as at April 1, 2020 | — | — | — |
| Total Comprehensive Income for the year ended March 31, 2021 | — | (10,907.89) | **(10,907.89)** |
| Dividends | — | (476.70) | **(476.70)** |
| Transfer to retained earnings | — | — | — |
| **Balance as at March 31, 2021** | **18,852.16** | **56,820.15** | **75,672.31** |

**Nature and purpose of reserves**

**a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

**b) Retained earnings**

Retained earnings are the profits the Company earned till date, less any dividend paid to shareholders.

This is the Standalone Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Ashish Gupta**
Partner
Membership No. 504662

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

Place : Mumbai
Dated : May 6, 2022

## STANDALONE
# Statement of Cash Flows

(₹ in lakhs)

| | For the year ended March 31 2022 | For the year ended March 31 2021 |
|---|---|---|
| **A) CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| Loss before exceptional items and tax | (3,635.59) | (7,913.29) |
| **Adjustments for :** | | |
| Depreciation and amortisation expenses | 7,884.07 | 9,479.88 |
| Interest income on fair valuation of deposits | (12.99) | (16.86) |
| Finance cost | 1,616.26 | 1,832.21 |
| Provision no longer required written back | (146.70) | — |
| Unclaimed credit written back | (7.55) | (31.04) |
| Interest on corporate fixed deposits | (153.47) | (70.45) |
| Profit on rent waiver received and Gain on termination & modification of lease- Ind AS 116 | (390.58) | (431.02) |
| Gain on fair value of investment | (570.47) | (801.94) |
| Profit on sale of current investments | (95.53) | (293.08) |
| Gain / (loss) on foreign currency transaction | (0.34) | 7.29 |
| Interest income on income tax refund | (23.39) | — |
| Loss on sale of property, plant and equipment | 3.46 | 1.70 |
| Property, plant and equipment written off | 146.46 | 30.70 |
| Provision for doubtful debts (net) | (285.97) | 228.58 |
| Bad debts written off | 66.94 | 133.86 |
| **Operating profit before working capital changes** | **4,394.61** | **2,156.54** |
| **Adjustments for changes in working capital :** | | |
| (Increase)/ Decrease in trade receivables | (1,081.12) | 4,116.90 |
| (Increase)/ Decrease in other non current financial assets | (110.47) | 356.54 |
| Increase in bank balances other than cash and cash equivalents | 0.03 | 0.15 |
| Decrease in other current financial assets | 134.35 | 12.01 |
| (Increase)/ Decrease in other non current assets | 450.00 | (964.16) |
| (Increase)/ Decrease in other current assets | (92.25) | 1,127.91 |
| Increase/ (Decrease) in other current financial liabilities | 335.13 | (0.15) |
| Decrease in trade payables | (89.37) | (1,964.09) |
| Increase/ (Decrease) in other current liabilities | 423.41 | (1,253.17) |
| Increase in provisions | 114.28 | 11.58 |
| **Cash generated from operations** | **4,478.60** | **3,600.06** |
| Taxes paid (net) | (546.09) | (586.71) |
| **Net cash generated from Operating Activities (A)** | **3,932.51** | **3,013.35** |

## STANDALONE
# Statement of Cash Flows

(₹ in lakhs)

| | For the year ended March 31 2022 | For the year ended March 31 2021 |
|---|---|---|
| **B) CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Property, plant and equipment including capital work in progress, capital advances and other intangible assets | (743.11) | (798.55) |
| Investment in equity shares of subsidiary companies | (967.04) | (838.10) |
| Proceeds from sale of tangible assets | 39.81 | 33.89 |
| Purchase of Investment property | (4.45) | - |
| Interest received | 126.61 | 0.59 |
| Investment in corporate fixed deposits | (3,000.00) | (2,100.00) |
| Redemption of corporate fixed deposits | 2,100.00 | — |
| Purchase of current investments | (37,004.15) | (34,901.70) |
| Proceeds from sale of current investments | 39,213.50 | 39,451.75 |
| **Net cash from / (used in) Investing Activities (B)** | **(238.83)** | **847.89** |
| **C) CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Principal repayment of lease liabilities | (1,669.20) | (1,199.25) |
| Dividend paid | (476.70) | (476.70) |
| Interest paid on lease liabilities | (1,608.09) | (1,828.30) |
| **Net cash used in Financing Activities (C)** | **(3,753.99)** | **(3,504.25)** |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)** | **(60.31)** | **356.99** |
| **Cash and Cash Equivalents as at the beginning of the year** | 557.47 | 200.48 |
| **Cash and Cash Equivalents as at the end of the year** | **497.16** | **557.47** |
| **Components of cash and cash equivalents:** | | |
| Cheques on hand | — | 27.33 |
| Balances with banks in current accounts | 497.16 | 530.14 |
| | **497.16** | **557.47** |

The Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

Significant accounting policies and other explanatory information 1-55

The above Standalone Statement of Cash Flows should be read with the accompanying notes

This is the Cash flow statement referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

**Ashish Gupta**
Partner
Membership No. 504662

Place : Mumbai
Dated : May 6, 2022

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

# Significant accounting policies and other explanatory information to the standalone financial statements

## 1. 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 its registered office at 4th Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013, Maharashtra, India. The Company operates FM radio broadcasting stations in 63 Indian cities under the brand names 'Mirchi', 'Mirchi Love', and 'Kool FM'.

The Company's principal revenue stream is advertising. Advertising revenues are generated through the sale of airtime in the Company's FM radio broadcasting stations, activations, concerts and monetization of Company's digital and other media properties.

These standalone financial statements were approved by the Company's Board of Directors on May 6, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation

#### a. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter. The standalone financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements 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.

#### b. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) A cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value (refer note ix below)

#### c. Functional currency

The functional currency of the Company is the Indian Rupee (₹). These standalone financial statements are presented in Indian Rupees rounded off to lakhs.

## Significant accounting policies and other explanatory information to the standalone financial statements

d. Critical estimates and judgements

The preparation of standalone 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 standalone financial statements.

The areas involving critical estimates or judgements are:

a. Useful life of Property, plant and equipment, investment properties and intangible assets - Refer Note 3, Note 6, Note 7, Note 2(iv), Note 2 (v) and Note 2(vi)

b. Impairment of trade receivables - Refer Note 12 and Note 2(ix)(d)

c. Recognition and recoverability of deferred tax assets - Refer Note 10, Note 32 and Note 2(xiv)

d. Recognition of Revenue from contracts with customers - Refer Note 26 and Note 2(ii)

e. Current tax expense and payable - Refer Note 32, Note 42 (b) and Note 2(xiv)

f. Measurement of lease liabilities and Right-of-use assets - Refer Note 4, Note 34 and Note 2(xi)

g. Measurement of defined benefit obligation - Refer Note 37 and Note 2(x)

h. Provisions and contingencies, including Royalty - Refer Note 42 (a) and Note 2(xvii)

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.

ii. Revenue from operations

The core principle of Ind AS 115 - Revenue from Contracts with Customers is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers.

Revenue from contracts with customers is recognised when control of services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenue is measured at the fair value of the consideration received or receivable. The revenue recognised is net of discounts, volume rebate and any taxes or duties collected on behalf of the government which are levied on revenue such as Goods and Services tax (GST).

The Company provides radio advertising services and Media Solutions to clients. The Company classifies its media solutions as under:

i. **Branded Solutions:** The Company provides various branded services which include Concerts, Award Shows, On-Air properties, Brand Licensing, Multimedia and Digital services.

ii. **Managed Solutions:** The Company provides services to manage the intellectual properties, activities or events of Clients.

Revenue from Radio Broadcasting and other services

a. Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials.

b. Revenue from solutions business is recognised, in the period in which the performance obligations are satisfied.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified

# Significant accounting policies and other explanatory information to the standalone financial statements

as unbilled revenues (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due or payments are already due but yet to be realized).

Contract Liability

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company satisfies its performance obligation under the contract. Unearned and deferred revenue is recognised when there are billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by the nature of services it provides to the customers.

The billing schedules agreed with customers include periodic performance based payments. Invoices are payable within contractually agreed credit period.

Use of significant judgements in revenue recognition

a. The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume rebates and discount. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct service promised in the contract.

d. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

iii. Other income

a. Dividends, if any are recognised in statement of profit and loss only when:

   i) the right to receive payment is established;

   ii) it is probable that the economic benefits associated with the dividend will flow to the Company; and

   iii) the amount of the dividend can be measured reliably.

b. Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that 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.

## Significant accounting policies and other explanatory information to the standalone financial statements

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 (excluding input tax credit), 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 statement of profit and 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. Unpaid amounts towards acquisition of Property, Plant and Equipment outstanding at each balance sheet date are classified under other current financial liabilities if due within one year from the date of these standalone financial statements and under other non-current financial liabilities if due after a year from the date of these standalone financial statements.

Depreciation on Property, plant and equipment other than leasehold improvements, is provided on written down value (WDV) 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 | Depreciation Method | Useful lives estimated by the management (in years) |
|---|---|---|
| Building (including compensation paid for use of land) | WDV | 60 |
| Plant and equipments - Studio | WDV | 15 |
| Plant and equipments -Transmission | WDV | 13 |
| Furniture and fixtures | WDV | 10 |
| Office equipment | WDV | 5 |
| Motor vehicles | WDV | 8 |
| Computers | WDV | 3 |
| Computers – Servers | WDV | 6 |
| Leasehold improvements | Straight Line | Lease period |

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.

v. Intangible assets

a. Frequency Module (FM) Radio Licenses

Non-Refundable One Time Migration Fee paid by the Company for existing FM Radio licenses upon migration to Phase III of the Licensing policy and Non-Refundable One Time Entry Fee 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 amortisation and impairment losses, if applicable.

## Significant accounting policies and other explanatory information to the standalone financial statements

A summary of amortisation policies applied to the licenses is tabulated below:

| Asset class | Amortization Method | Useful lives estimated by the management (in years) |
|---|---|---|
| Non-Refundable One Time Migration Fee | Straight Line | 15 years with effect from April 1, 2015 |
| Non-Refundable One Time Entry Fee | Straight Line | 15 years from the date of operationalisation of the respective stations |

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

b. Software

a. 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 statement of profit and loss account in the year of purchase.

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.

vi. Investment properties

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. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All repairs and maintenance costs incurred for the investment properties are charged to statement of profit and loss account when incurred.

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.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (Refer note 6). Fair values are determined based on an annual evaluation performed by a registered valuer. 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.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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 recognised as an expense in the period in which they are incurred.

viii. Foreign currency transactions

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.

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

# Significant accounting policies and other explanatory information to the standalone financial statements

ix. Financial instruments

a. Recognition and initial measurement

The Company recognizes trade receivables and trade payables 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. 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 are classified as current investments.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the statement of profit and loss in the period in which they arise.

ii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" are included in the statement of profit and loss in the period in which they arise.

iii. Investment in subsidiaries

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

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 derecognised 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. Lifetime losses are the expected credit losses resulting from all possible default events over the expected life of a trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Every year, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## Significant accounting policies and other explanatory information to the standalone financial statements

x. Employee benefits

a. Defined Contribution Plans:

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme 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 recognised in the statement of profit and loss every year.

b. Defined Benefit Plans:

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible 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 recognised 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 and loss as past service costs.

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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 within twelve months from the balance sheet date are current. Other such liabilities are considered non-current.

d. Termination benefits are recognised as an expense as and when incurred.

xi. Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities in respect of future lease payments and Right of Use assets representing the right to use the underlying assets.

i) Right of Use assets

The Company recognises Right of Use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of Use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Right of Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of Use assets are depreciated on a straight-line basis over the lease term.

ii) Lease liabilities

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date or April 1, 2019 whichever is later. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term or a change in the lease payments.

# Significant accounting policies and other explanatory information to the standalone financial statements

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense in the statement of Profit and loss.

iv) Termination/Modification of lease

The gain or loss arising from termination shall be determined as the difference between the carrying value of lease liability, and the carrying amount of right to use asset. It shall be recognised in statement of profit and loss when the asset is derecognised.

For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by:

(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Company recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.

(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

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 financial 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. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events (such as bonus shares), if any, 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.

xiv. 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.

Current Tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax (MAT)

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

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone 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 recognised amounts and there is an intention to settle the asset and the liability on a net basis.

## Significant accounting policies and other explanatory information to the standalone financial statements

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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. GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST, except

a. When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

b. The net amount of tax receivable/ payable is included as part of receivables/payables, as the case may be, in the balance sheet.

xvi. 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 if any, is not subject to amortisation and is tested for impairment at each reporting date. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

xvii. 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.

xviii. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as a liability on the date of approval by the Company's Board of Directors.

xix. License Fees

As per the applicable Frequency Module (FM) broadcasting policy, license fees is recognised in statement of profit and loss at the rate of 4% of gross revenue or minimum fixed fee for the concerned city, whichever is higher. Minimum fixed fee is 2.5% of the Non-Refundable One Time Entry Fee (NOTEF).

However, for the first three years of operations in the States of North East (i.e. Assam and Meghalaya) and Jammu & Kashmir the rate of License fee was 2% of Gross Revenue or 1.25% of NOTEF, whichever was higher.

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').

## Significant accounting policies and other explanatory information to the standalone financial statements

### NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

| Particulars | GROSS CARRYING VALUE | | | | ACCUMULATED DEPRECIATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions | Disposals | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposals | As at March 31, 2022 | For the year (Refer Note 49 (b)) | As at March 31, 2022 |
| Building (including compensation paid for use of land) | 58.83 | – | – | 58.83 | 30.27 | 1.38 | – | 31.65 | – | 27.18 |
| Leasehold improvements | 3,723.92 | 192.86 | 687.09 | 3,229.69 | 1,694.86 | 264.93 | 546.04 | 1,413.75 | – | 1,815.94 |
| Office equipments | 485.77 | 98.19 | 247.77 | 336.19 | 321.66 | 76.98 | 238.55 | 160.09 | – | 176.09 |
| Plant and equipments (Refer note A) | 8,424.92 | 147.02 | 340.79 | 8,231.15 | 4,653.13 | 738.93 | 317.42 | 5,074.64 | – | 3,156.51 |
| Computers | 2,173.37 | 300.40 | 324.91 | 2,148.86 | 1,721.26 | 236.73 | 310.91 | 1,647.08 | – | 501.78 |
| Furniture and fixtures | 223.80 | 15.06 | 22.61 | 216.25 | 127.76 | 24.74 | 20.52 | 131.98 | – | 84.27 |
| Motor vehicles | 100.28 | – | – | 100.28 | 53.40 | 14.52 | – | 67.92 | – | 32.36 |
| **Total** | **15,190.89** | **753.53** | **1,623.17** | **14,321.25** | **8,602.34** | **1,358.21** | **1,433.44** | **8,527.11** | **–** | **5,794.13** |

| Particulars | GROSS CARRYING VALUE | | | | ACCUMULATED DEPRECIATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions | Disposals | As at March 31, 2021 | As at April 1, 2020 | For the year | Disposals | As at March 31, 2021 | For the year (Refer Note 49 (b)) | As at March 31, 2021 |
| Building (including compensation paid for use of land) | 58.83 | – | – | 58.83 | 28.82 | 1.45 | – | 30.27 | – | 28.56 |
| Leasehold improvements | 3,627.66 | 215.35 | 119.08 | 3,723.92 | 1,217.87 | 346.27 | 117.27 | 1,446.86 | 248.00 | 2,029.07 |
| Office equipments | 484.57 | 44.73 | 43.54 | 485.77 | 263.56 | 85.83 | 28.03 | 321.36 | 0.30 | 164.06 |
| Plant and equipments (Refer note A) | 8,084.44 | 445.31 | 104.83 | 8,424.92 | 3,482.62 | 911.43 | 68.96 | 4,325.10 | 328.03 | 3,771.78 |
| Computers | 2,054.81 | 157.51 | 38.95 | 2,173.37 | 1,434.88 | 317.00 | 33.21 | 1,718.66 | 2.60 | 452.10 |
| Furniture and fixtures | 220.45 | 15.11 | 11.76 | 223.80 | 102.48 | 29.66 | 4.39 | 127.76 | – | 96.04 |
| Motor vehicles | 100.28 | – | – | 100.28 | 32.28 | 21.12 | – | 53.40 | – | 46.89 |
| **Total** | **14,631.04** | **878.01** | **318.16** | **15,190.89** | **6,562.51** | **1,712.76** | **251.86** | **8,023.41** | **578.93** | **6,588.50** |

Note:

A. Net carrying value of Plant and equipments includes jointly held assets at Common Transmission Infrastructure (CTI) amounting to ₹ 875.72 lakhs (as at March 31,2021: ₹ 1,212.91 lakhs).

B. Refer note 33 for commitments to the extent not provided for.

## Significant accounting policies and other explanatory information to the standalone financial statements

### NOTE 4 : RIGHT OF USE ASSETS

(₹ in lakhs)

| Particulars | Transmission facilities | Office Premises | Total |
|---|---|---|---|
| **Carrying value as at 31 March 2020 (Refer Note 34)** | **11,386.75** | **6,518.51** | **17,905.26** |
| Add: Additions for the year | 36.38 | 2,117.15 | 2,153.52 |
| Less: Disposal for the year | 19.08 | 1,304.37 | 1,323.45 |
| Less: Depreciation for the year | 1,061.95 | 1,408.13 | 2,470.08 |
| Less: Impairment for the year (Refer Note 49 (b)) | 1,062.84 | – | 1,062.84 |
| **Carrying value as at March 31, 2021** | **9,279.26** | **5,923.16** | **15,202.41** |
| Add: Additions for the year | – | 1,050.27 | 1,050.27 |
| Add: Modification for the year | 105.00 | 905.99 | 1,010.99 |
| Less: Disposal for the year | – | 235.04 | 235.04 |
| Less: Depreciation for the year | 944.26 | 1,038.66 | 1,982.91 |
| **Carrying value as at March 31, 2022** | **8,440.00** | **6,605.72** | **15,045.72** |

Note : The Company has lease contracts for transmission facilities and office premises used in its operations. Leases of transmission facilities generally have a lease term of 15 years, while office premises generally have lease terms ranging from 5 to 10 years.

### NOTE 5: CAPITAL WORK-IN-PROGRESS (CWIP)

(₹ in lakhs)

| Particulars | Amount |
|---|---|
| **Carrying value as at March 31, 2020** | **84.58** |
| Add: Additions for the year | 977.95 |
| Less: Amount capitalized out of the same | 889.63 |
| **Carrying value as at March 31, 2021** | **172.90** |
| Add: Additions for the year | 715.09 |
| Less: Amount capitalized out of the same | 828.07 |
| **Closing balance as on March 31, 2022** | **59.92** |

## Significant accounting policies and other explanatory information to the standalone financial statements

**CWIP ageing schedule as at March 31, 2022**

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 53.85 | 6.07 | – | – | 59.92 |
| Projects temporarily suspended | – | – | – | – | – |
| **Total** | **53.85** | **6.07** | **–** | **–** | **59.92** |

**CWIP ageing schedule as at March 31, 2021**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 172.15 | 0.75 | – | – | 172.90 |
| Projects temporarily suspended | – | – | – | – | – |
| **Total** | **172.15** | **0.75** | **–** | **–** | **172.90** |

## NOTE 6 : INVESTMENT PROPERTIES

(₹ in lakhs)

| Particulars | Amount |
|---|---|
| **Carrying value as at March 31, 2020** | **230.96** |
| Add: Additions for the year | – |
| Less: Depreciation for the year | 5.82 |
| **Carrying value as at March 31, 2021** | **225.14** |
| Add: Additions for the year | 4.45 |
| Less: Depreciation for the year | 11.64 |
| **Carrying value as at March 31, 2022** | **217.95** |

Note: The Company's investment properties consists of commercial properties whose fair value is as tabulated below. These valuations are based on valuations performed by registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules, 2017.

## Significant accounting policies and other explanatory information to the standalone financial statements

(₹ in lakhs)

| Fair value | Amount |
|---|---|
| As at March 31, 2020 | 238.46 |
| As at March 31, 2021 | 236.78 |
| As at March 31, 2022 | 236.13 |

### NOTE 7 : OTHER INTANGIBLE ASSETS

(₹ in lakhs)

| Particulars | GROSS CARRYING VALUE | | | | AMORTISATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions (Refer note A) | Disposals | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposals | As at March 31, 2022 | For the year (Refer Note 49 (b)) | As at March 31, 2022 |
| Computer software | 345.06 | 74.54 | — | 419.60 | 223.96 | 59.90 | — | 283.86 | — | 135.74 |
| Migration fees (Refer note B) | 36,804.74 | — | — | 36,804.74 | 14,698.06 | 2,456.63 | — | 17,154.69 | — | 19,650.05 |
| One time entry fees (Refer note C) | 41,866.34 | — | — | 41,866.34 | 20,183.90 | 2,014.78 | — | 22,198.68 | — | 19,667.66 |
| **Total** | **79,016.14** | **74.54** | **—** | **79,090.68** | **35,105.92** | **4,531.31** | **—** | **39,637.23** | **—** | **39,453.45** |

| Particulars | GROSS CARRYING VALUE | | | | AMORTISATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions (Refer note A) | Disposals | As at March 31, 2021 | As at April 1, 2020 | For the year | Disposals | As at March 31, 2021 | For the year (Refer Note 49 (b)) | As at March 31, 2021 |
| Computer Software | 333.44 | 11.62 | — | 345.06 | 170.78 | 53.18 | — | 223.96 | — | 121.10 |
| Migration fees (Refer note B) | 36,804.74 | — | — | 36,804.74 | 12,241.43 | 2,456.63 | — | 14,698.06 | — | 22,106.68 |
| One time entry fees (Refer note C) | 41,866.34 | — | — | 41,866.34 | 9,294.84 | 2,781.41 | — | 12,076.25 | 8,107.65 | 21,682.44 |
| **Total** | **79,004.52** | **11.62** | **—** | **79,016.14** | **21,707.05** | **5,291.22** | **—** | **26,998.27** | **8,107.65** | **43,910.22** |

Notes:

A) Additions in Other intangible assets (₹ 74.54 lakhs) includes assets acquired separately (March 31, 2021: ₹ 11.62 lakhs).

B) 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 Fee ('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 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 eight years.

C) In the financial year 2015-16, the Company had 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 stations. The NOTEF was partially funded through borrowings. During the year 2016-17 the Company had won 21 new licenses in the Batch 2 of Phase III auctions. The Company paid Non-refundable One Time Entry Fee ("NOTEF") of ₹ 5,140.43 lakhs for these licenses. The NOTEF was funded through borrowings. All the Phase III licenses have a tenure of 15 years from the date of operationalization of such licenses.

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 8 : INVESTMENTS

(₹ in lakhs)

| NON-CURRENT INVESTMENTS | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| **Unquoted equity investments in Subsidiary Companies at cost:** | | | | |
| Equity Shares of Alternate Brand Solutions (India) Limited of ₹ 10 each fully paid-up | 1,600,000 | 702.50 | 1,600,000 | 702.50 |
| Equity Shares of Entertainment Network, Inc. of US$ 1 each fully paid-up | 1,344,783 | 1,560.70 | 831,167 | 861.83 |
| Equity Shares of Global Entertainment Network Limited of QAR 1 each fully paid-up (Refer Note 46) | 96,530 | 399.75 | 96,530 | 399.75 |
| Equity Shares of Mirchi Bahrain W.L.L of BHD 1 each fully paid-up (Refer Note 47) | 215,510 | 558.94 | – | – |
| **Total** | | **3,221.89** | | **1,964.08** |

(₹ in lakhs)

| CURRENT INVESTMENTS | Figures as at March 31, 2022 | | Figures as at March 31, 2021 | |
|---|---|---|---|---|
| | Nos. of Units | Amount | Nos. of Units | Amount |
| **Investments carried at fair value through profit or loss** | | | | |
| **Mutual fund units (unquoted)** | | | | |
| Aditya Birla Sun Life Saving Fund - Growth-Regular-Plan, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 780,895 | 3,438.44 | 780,895 | 3,300.89 |
| ICICI Prudential Money Market Fund- Direct Plan Growth, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 941,866 | 2,890.53 | 941,866 | 2,781.13 |
| Aditya Birla Sun Life overnight Fund -Growth-Direct Plan, of ₹ 100 each | 199,557 | 2,294.28 | – | – |
| DSP Liquidity Fund - Direct Plan- Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 68,003 | 2,069.34 | 68,003 | 2,000.09 |
| Axis Treasury Advantage Fund - Regular Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 82,172 | 2,051.94 | 82,172 | 1,972.93 |
| Kotak Money Market Fund - Direct Plan - Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 39,320 | 1,423.68 | – | – |
| Edelweiss India Liquid Fund -Direct Plan - Bonus, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 61,218 | 978.58 | 61,218 | 945.10 |
| Sundaram Banking and PSU Debt Fund -Direct Plan Bonus, of ₹ 10 each (March 31, 2021- ₹ 10 each) | 5,105,654 | 902.73 | 5,105,654 | 873.30 |
| Aditya Birla Sun Life Money Manager Fund- Growth- Regular Plan, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 283,737 | 840.65 | 548,553 | 1,563.16 |
| UTI Money Market Fund -Direct plan - Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 23,321 | 580.67 | 23,321 | 558.57 |
| Aditya Birla Sun Life Saving Fund - Growth-Direct-Plan, of ₹ 100 each | 19,656 | 87.52 | – | – |
| Kotak Money Market Scheme -Direct Plan- Growth, (March 31, 2021 - ₹ 1,000 each) | – | – | 46,059 | 1,604.59 |
| Aditya Birla Sun Life Floating Rate Fund - Growth- Direct Plan, (March 31, 2021 - ₹ 100 each) | – | – | 296,196 | 801.75 |
| Aditya Birla Sun Life Saving Fund-Growth-Direct-Plan, (March 31, 2021-₹ 100 each) | – | – | 186,508 | 796.08 |
| Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan, (March 31, 2021 - ₹ 1,000 each) | – | – | 64,799 | 721.18 |
| Aditya Birla Sun Life Money Manager Fund- Growth-Direct Plan, (March 31, 2021 - ₹ 100 each) | – | – | 198,785 | 570.85 |
| PGIM India Insta Cash Fund-Direct Plan-Growth, (March 31, 2021 - ₹ 100 each) | – | – | 170,661 | 457.47 |
| UTI Treasury Advantage Fund-Direct Plan-Growth, (March 31, 2021 - ₹ 1,000 each) | – | – | 5,846 | 154.62 |
| **Investments carried at amortised cost** | | | | |
| **Corporate fixed deposits** | | | | |
| LIC Housing Finance Limited | | 900.00 | | 2,100.00 |
| Housing Department Finance Corporation Limited | | 2,100.00 | | - |
| **Total** | | **20,558.36** | | **21,201.71** |

# Significant accounting policies and other explanatory information to the standalone financial statements

**Aggregate value of quoted and unquoted investments is as follows:**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Aggregate value of quoted investments** | – | – |
| Aggregate value of unquoted investments (net of impairment) | 23,780.25 | 23,165.79 |
| Aggregate market value of quoted investments | – | – |
| Aggregate value of impairment of investments | – | – |

## NOTE 9: OTHER FINANCIAL ASSETS (NON CURRENT)

| | | |
|---|---|---|
| **(Unsecured, considered good, unless otherwise stated)** | | |
| Security deposits | 2,135.54 | 2,012.70 |
| Share application money paid, pending allotment (Refer Note 47) | – | 290.76 |
| **Total** | **2,135.54** | **2,303.46** |

## NOTE 10A : DEFERRED TAX ASSETS (NET)

Deferred tax assets and liabilities are attributable to the following items:

| | | |
|---|---|---|
| **Assets:** | | |
| Provision for bad and doubtful debts | 997.70 | 1,069.51 |
| Provision for compensated absences | 106.33 | 101.65 |
| Provision for gratuity | 334.66 | 307.69 |
| Deferred rent | 4.80 | 7.74 |
| MAT credit entitlement | 5,475.39 | 5,506.44 |
| Business loss carried forward | 2,630.51 | 1,648.09 |
| Lease liabilities and Right-of-use assets - Ind AS 116 | 1,969.48 | 1,861.14 |
| Others | 431.94 | 456.62 |
| | **11,950.81** | **10,958.88** |
| **Liabilities:** | | |
| Depreciation | 8,014.54 | 8,023.43 |
| Unrealised gain on securities carried at fair value through profit or loss | 816.67 | 718.08 |
| Others | 10.16 | **7.44** |
| | **8,841.37** | **8,748.95** |
| **Deferred Tax Assets (Net)** | **3,109.44** | **2,209.93** |

## NOTE 10B: INCOME TAX ASSETS (NET)

| | | |
|---|---|---|
| Advance tax and tax deducted at source | **2,780.51** | **2,211.03** |
| (Net of provision of ₹ 4,117.75 Lakhs (Previous year: ₹ 7,558.33 Lakhs)) | | |
| **Total** | **2,780.51** | **2,211.03** |

## NOTE 11: OTHER NON-CURRENT ASSETS

| | | |
|---|---|---|
| Capital advances | 53.12 | 109.53 |
| Receivables from group companies (Refer note 39) | 514.16 | 964.16 |
| Other non current assets | 0.80 | 0.80 |
| **Total** | **568.08** | **1,074.49** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 12: TRADE RECEIVABLES

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unsecured, considered good** | | |
| From related parties (Refer note 39) | 2,184.23 | 2,562.66 |
| From others (Refer notes below) | 10,495.21 | 8,816.29 |
| **Total** | **12,679.44** | **11,378.95** |
| **Breakup of security details** | | |
| Secured, considered good | – | – |
| Unsecured considered good | 12,679.44 | 11,378.95 |
| Trade receivables which have significant increase in credit risk | – | – |
| Trade receivables - Credit impaired | 2,958.34 | 3,243.68 |
| **Total (A)** | **15,637.78** | **14,622.63** |
| **Less: Allowance for doubtful trade receivables** | | |
| Unsecured considered good | – | – |
| Trade receivables which have significant increase in credit risk | – | – |
| Trade receivables - Credit impaired | (2,958.34) | (3,243.68) |
| **Total (B)** | **(2,958.34)** | **(3,243.68)** |
| **Total receivables (net) (A+B)** | **12,679.44** | **11,378.95** |

**Trade receivables ageing schedule as at March 31, 2022** (₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 11,932.29 | 550.46 | 169.80 | 26.89 | – | 12,679.44 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (iii) Undisputed Trade receivables - credit impaired | 138.09 | 75.33 | 259.28 | 629.08 | 1,856.56 | 2,958.34 |
| (iv) Disputed Trade receivables - considered good | – | – | – | – | – | – |
| (v) Disputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (vi) Disputed Trade receivables - credit impaired | – | – | – | – | – | – |
| **Total** | **12,070.38** | **625.79** | **429.08** | **655.97** | **1,856.56** | **15,637.78** |
| Less: Allowance for doubtful trade receivables | | | | | | (2,958.34) |
| **Total (net)** | | | | | | **12,679.44** |

**Trade receivables ageing schedule as at March 31, 2021**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 10,418.67 | 638.86 | 321.42 | – | – | 11,378.95 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (iii) Undisputed Trade receivables - credit impaired | 227.74 | 41.79 | 823.10 | 666.63 | 1,484.42 | 3,243.68 |
| (iv) Disputed Trade receivables - considered good | – | – | – | – | – | – |
| (v) Disputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (vi) Disputed Trade receivables - credit impaired | – | – | – | – | – | – |
| **Total** | **10,646.41** | **680.65** | **1,144.52** | **666.63** | **1,484.42** | **14,622.63** |
| Less: Allowance for doubtful trade receivables | | | | | | (3,243.68) |
| **Total (net)** | | | | | | **11,378.95** |

# Significant accounting policies and other explanatory information to the standalone financial statements

Notes:

A) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or Private Companies respectively in which any director is a partner, a director or a member.

B) Trade receivables are non-interest bearing and are generally on terms of credit.

C) Refer note 45 for information about credit risk of trade receivables.

**Expected credit loss for trade receivables under simplified approach as at March 31, 2022** (₹ in lakhs)

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount - trade receivables | 12,070.38 | 625.79 | 429.08 | 655.97 | 1,856.56 | 15,637.78 |
| Gross carrying amount - contract assets | 148.73 | 3.22 | – | – | – | 151.95 |
| Expected loss rate | 1.14% | 12.04% | 60.43% | 95.90% | 100.00% | 18.92% |
| Expected credit losses (Loss allowance provision) - trade receivables | 138.09 | 75.33 | 259.28 | 629.08 | 1,856.56 | 2,958.33 |
| Expected credit losses (Loss allowance provision) - contract assets | – | – | – | – | – | – |
| **Carrying amount of trade receivables** | **11,932.29** | **550.46** | **169.80** | **26.89** | **–** | **12,679.45** |
| **Carrying amount of contract assets (net of impairment)** | **148.73** | **3.22** | **–** | **–** | **–** | **151.95** |

**Expected credit loss for trade receivables under simplified approach as at March 31, 2021**

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount - trade receivables | 10,646.41 | 680.65 | 1,144.52 | 666.63 | 1,484.42 | 14,622.63 |
| Gross carrying amount - contract assets | 33.50 | 13.82 | – | – | – | 47.32 |
| Expected loss rate | 2.14% | 6.14% | 71.92% | 100.00% | 100.00% | 22.18% |
| Expected credit losses (Loss allowance provision) - trade receivables | 227.74 | 41.79 | 823.10 | 666.63 | 1,484.42 | 3,243.68 |
| Expected credit losses (Loss allowance provision) - contract assets | – | – | – | – | – | – |
| **Carrying amount of trade receivables** | **10,418.67** | **638.87** | **321.42** | **–** | **–** | **11,378.95** |
| **Carrying amount of contract assets (net of impairment)** | **33.50** | **13.82** | **–** | **–** | **–** | **47.32** |

## NOTE 13 : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Cheques on hand | – | 27.33 |
| Balances with banks : | | |
| in current accounts | 497.16 | 530.14 |
| **Total** | **497.16** | **557.47** |

Refer note 45 for information about credit risk of cash and cash equivalents

## NOTE 14: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | | |
|---|---|---|
| Unpaid dividend account | 1.28 | 1.25 |
| **Total** | **1.28** | **1.25** |

Refer note 45 for information about credit risk of bank balances other than cash and cash equivalents

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 15: OTHER FINANCIAL ASSETS (CURRENT)

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| Due from related parties (Refer note 39) | 1.06 | 94.52 |
| Security Deposits | 60.29 | 205.81 |
| Interest accrued on deposits | 97.70 | 70.22 |
| Contract assets - unbilled receivables | 151.95 | 47.32 |
| **Total** | **311.00** | **417.87** |

## NOTE 16: OTHER CURRENT ASSETS

| | | |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| Prepaid expenses | 495.09 | 486.91 |
| Advances recoverable in cash or in kind or for value to be received | 515.37 | 740.93 |
| Receivables from group companies (Refer Note 39) | 450.00 | 140.37 |
| Others | 25.00 | 25.00 |
| **Total** | **1,485.46** | **1,393.21** |

## NOTE 17: EQUITY SHARE CAPITAL

| | | |
|---|---|---|
| **Authorised capital** | | |
| 120,000,000 (Previous Year : 120,000,000) equity shares of ₹ 10 each | 12,000.00 | 12,000.00 |
| **Issued, Subscribed and Paid-up** | | |
| 47,670,415 (Previous Year : 47,670,415) equity Shares of ₹ 10 each fully paid-up share capital | 4,767.04 | 4,767.04 |
| **Total** | **4,767.04** | **4,767.04** |

**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. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

| **(b) Details of promoters shareholding as at year end** | No of Shares | No of Shares |
|---|---|---|
| i) Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited (the 'Holding Company') | 3,39,18,400 | 3,39,18,400 |
| % of total shares | 71.15% | 71.15% |
| % change during the year | – | – |

| **(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company** | No of Shares (in %) | No of Shares (in %) |
|---|---|---|
| i) Bennett, Coleman & Company Limited, the Holding Company | 33,918,400 (71.15%) | 33,918,400 (71.15%) |

**(d) Reconciliation of number of shares**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| Balance as at beginning of the year | 47,670,415 | 4,767.04 | 47,670,415 | 4,767.04 |
| Add: Equity shares issued during the year | — | — | — | — |
| **Balance as at the end of the year** | **47,670,415** | **4,767.04** | **47,670,415** | **4,767.04** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 18: OTHER EQUITY

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Securities Premium | 18,852.16 | 18,852.16 |
| Retained earnings | 53,554.69 | 56,820.15 |
| | **72,406.85** | **75,672.31** |
| **Retained Earnings** | | |
| Balance as at beginning of the year | 56,820.15 | 68,204.74 |
| Add: Loss for the year | (2,748.06) | (10,926.71) |
| Add: Other comprehensive income for the year | (40.70) | 18.82 |
| Less: Dividend on equity shares (Refer Note 36) [per share ₹ 1.00 (Previous year: ₹ 1.00)] | (476.70) | (476.70) |
| **Balance as at the end of the year** | **53,554.69** | **56,820.15** |

## NOTE 19 : LEASE LIABILITIES (NON CURRENT)

| (Refer Note 34 and Note 45) | | |
|---|---|---|
| Office | 7,236.24 | 6,399.34 |
| Transmission facilities | 11,551.95 | 12,335.98 |
| **Total** | **18,788.19** | **18,735.32** |

## NOTE 20 : EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)

| **Provision for employee benefits** | | |
|---|---|---|
| Provision for gratuity (Refer Note 37) | 860.91 | 777.11 |
| Provision for compensated absences | 195.40 | 202.63 |
| **Total** | **1,056.31** | **979.74** |

## NOTE 21 : TRADE PAYABLES

| | | | |
|---|---|---|---|
| (A) | total outstanding dues of micro enterprises and small enterprises (Refer note 35) | 41.82 | 21.67 |
| (B) | total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| | Payable to related parties (Refer Note 39) | 167.57 | 143.94 |
| | Other Trade payables | 6,969.01 | 7,392.92 |
| **Total** | | **7,178.40** | **7,558.53** |

**Trade payables ageing schedule as at March 31, 2022**

(₹ in lakhs)

| | Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 23.23 | 8.81 | 7.18 | 2.60 | 41.82 |
| (ii) | Others | 4,070.96 | 763.55 | 838.13 | 1,463.94 | 7,136.58 |
| (iii) | Disputed Dues - MSME | – | – | – | – | – |
| (iv) | Disputed Dues - Others | – | – | – | – | – |
| | **Total** | **4,094.19** | **772.36** | **845.31** | **1,466.54** | **7,178.40** |

# Significant accounting policies and other explanatory information to the standalone financial statements

**Trade payables ageing schedule as at March 31, 2021** (₹ in lakhs)

| Particulars | | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 17.97 | 3.70 | – | – | 21.67 |
| (ii) | Others | 4,388.41 | 1,325.32 | 585.26 | 1,237.87 | 7536.86 |
| (iii) | Disputed Dues - MSME | – | – | – | – | – |
| (iv) | Disputed Dues - Others | – | – | – | – | – |
| | **Total** | **4,406.38** | **1,329.02** | **585.26** | **1,237.87** | **7,558.53** |

Refer Note 45 for information about liquidity risk of trade payables

## NOTE 22 : LEASE LIABILITIES (CURRENT)

(Refer Note 34 and Note 45) (₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Office | 610.81 | 834.18 |
| Transmission facilities | 767.52 | 625.56 |
| **Total** | **1,378.33** | **1,459.74** |

## NOTE 23 : OTHER FINANCIAL LIABILITIES (CURRENT)

| | | |
|---|---|---|
| Employee dues | 397.35 | 62.19 |
| Unpaid dividend | 1.23 | 1.26 |
| Payables for acquisition of property, plant and equipment | 92.61 | 177.04 |
| Security deposit | 22.78 | 22.78 |
| **Total** | **513.97** | **263.27** |

## NOTE 24 : OTHER CURRENT LIABILITIES

| | | |
|---|---|---|
| Contract liabilities | 575.85 | 514.64 |
| Statutory dues | 959.30 | 562.90 |
| Others | 63.78 | 105.53 |
| **Total** | **1,598.93** | **1,183.07** |

## NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note 37) | 126.37 | 114.48 |
| Provision for compensated absences | 104.94 | 79.12 |
| **Total** | **231.31** | **193.60** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 26: REVENUE FROM OPERATIONS

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **A) Revenue from contracts with customers** | | |
| Revenue disaggregation by type of service | | |
| I) Radio Advertising Services (FCT) | | |
| a) Owned | 21,406.39 | 17,321.37 |
| b) Traded | – | 77.31 |
| **Total (I)** | **21,406.39** | **17,398.68** |
| II) Solutions business | | |
| a) Branded Solutions | 5,245.44 | 5,993.16 |
| b) Managed Solutions | 3,747.25 | 3,051.56 |
| **Total (II)** | **8,992.69** | **9,044.72** |
| **Total (A) = (I)+(II)** | **30,399.08** | **26,443.40** |

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115 as unsatisfied (or partially satisfied) performance obligation are parts of contracts that have an original expected duration of one year or less. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material outcome based and event based contracts.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Changes in contract assets are as follows:** | | |
| Balance at the beginning of the year | 47.32 | 149.36 |
| Less: Invoices raised during the year | (47.32) | (149.36) |
| Add: Revenue recognised during the year | 151.95 | 47.32 |
| **Balance at the end of the year** | **151.95** | **47.32** |
| **Changes in contract liabilities are as follows:** | | |
| Balance at the beginning of the year | 514.64 | 229.57 |
| Less: Revenue recognised that was included in the contract liabilities balance at the beginning of the year | (507.09) | (198.53) |
| Less: Unclaimed credit write back | (7.55) | (31.04) |
| Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 397.35 | 514.64 |
| **Balance at the end of the year** | **397.35** | **514.64** |
| **B) Other operating income** | | |
| Provision no longer required written back | 83.30 | – |
| Other operating income | 109.32 | 238.32 |
| **Total (B)** | **192.62** | **238.32** |
| **Total Revenue from operations (A+B)** | **30,591.70** | **26,681.72** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 27 : OTHER INCOME

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest income | | |
| – On Income tax refund | 23.39 | – |
| – On fair valuation of deposits | 12.38 | 16.27 |
| – On others | 0.61 | 0.59 |
| Profit on sale of current investments | 95.53 | 293.08 |
| Gain on fair value of investment | 570.47 | 801.94 |
| Gain on foreign currency transaction | 0.34 | – |
| Management fees | 294.39 | 92.00 |
| Rent income | 49.73 | 27.00 |
| Interest on corporate fixed deposit and others | 153.47 | 70.45 |
| Unclaimed credit written back | 7.55 | 31.04 |
| Profit on rent waiver received - Ind As 116 | 22.47 | 103.81 |
| Gain on termination and modification of lease -Ind AS 116 | 368.11 | 327.21 |
| Miscellaneous income | 0.05 | 9.53 |
| **Total** | **1,598.49** | **1,772.92** |

## NOTE 28: EMPLOYEE BENEFITS EXPENSE

| | | |
|---|---|---|
| Salaries, wages and bonus | 9,646.34 | 8,503.57 |
| Contributions to provident and other funds | 395.26 | 395.93 |
| Gratuity (Refer note 37) | 148.70 | 152.75 |
| Staff welfare expenses | 384.90 | 186.01 |
| **Total** | **10,575.20** | **9,238.26** |

## NOTE 29: FINANCE COSTS

| | | |
|---|---|---|
| Interest on lease liabilities under Ind AS 116 | 1,608.09 | 1,756.42 |
| Interest on others | 8.17 | 75.79 |
| **Total** | **1,616.26** | **1,832.21** |

## NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

| | | |
|---|---|---|
| Depreciation on Property, plant and equipment | 1,358.21 | 1,712.76 |
| Depreciation on Right-of-use assets | 1,982.91 | 2,470.08 |
| Depreciation on Investment properties | 11.64 | 5.82 |
| Amortisation of intangible assets | 4,531.31 | 5,291.22 |
| **Total** | **7,884.07** | **9,479.88** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## NOTE 31 : OPERATING AND OTHER EXPENSES

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Royalty | 1,176.80 | 1,537.60 |
| Programming and production expenses | 4,339.63 | 4,613.43 |
| Technical costs | 164.69 | 159.15 |
| License fees | 3,321.04 | 3,273.35 |
| Rent | 125.06 | 36.30 |
| Rates and taxes | 31.14 | 85.64 |
| Power and fuel | 1,172.30 | 1,193.64 |
| Marketing | 831.78 | 465.74 |
| Travelling and Conveyance | 380.09 | 351.94 |
| Insurance | 37.82 | 50.45 |
| Communication | 104.34 | 88.43 |
| Repairs and maintenance on : | | |
| – Buildings | 21.89 | 19.89 |
| – Plant and equipment | 940.71 | 905.78 |
| – Others | 334.53 | 320.73 |
| Legal and professional fees | 1,321.33 | 1,011.56 |
| Software expenses | 474.13 | 401.18 |
| Payments to auditors | | |
| – Audit fee | 42.00 | 42.00 |
| – Other services | 3.00 | 1.35 |
| – Reimbursement of expenses | – | 0.14 |
| | **45.00** | **43.49** |
| Bad debts written off | 66.94 | 133.86 |
| Provision for doubtful debts | (285.34) | 228.58 |
| Provision for doubtful debts withdrawn | (0.63) | – |
| | **(285.97)** | **228.58** |
| Loss on sale of property, plant and equipment | 3.46 | 1.70 |
| Property, plant and equipment written off | 146.46 | 30.70 |
| Director's sitting fees and remuneration/ commission | 66.20 | 60.20 |
| Net loss on foreign currency transaction | – | 7.29 |
| Expenditure towards Corporate Social Responsibility Activities (Refer Note 41) | 40.00 | 119.20 |
| Miscellaneous expenses | 890.88 | 677.75 |
| **Total** | **15,750.25** | **15,817.58** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## 32. INCOME TAX EXPENSE

**a. The major components of income tax expense are:**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Income tax expense** | | |
| **Current tax (i)** | – | – |
| **Deferred tax** | | |
| Increase in deferred tax assets | (1,024.14) | (1,706.13) |
| (Increase)/ Decrease in MAT Credit entitlement | 31.05 | (159.35) |
| Increase / (Decrease) in deferred tax liabilities | 92.42 | (2,539.81) |
| **Total deferred tax credit (ii)** | **(900.67)** | **(4,405.29)** |
| **Income tax expense (i+ii)** | **(900.67)** | **(4,405.29)** |
| **Out of the above recognised in:** | | |
| Statement of profit and loss as total tax expenses | (887.53) | (4,445.74) |
| Other comprehensive income | (13.14) | 7.68 |
| Deferred tax expense of earlier years | – | 32.77 |
| **Total tax expense in Statement of profit and loss** | **(900.67)** | **(4,405.29)** |

**b. Reconciliation of income tax expenses and the accounting profit/(loss) multiplied by tax rate for the year ended:**

| | | |
|---|---|---|
| Loss before taxation | (3,635.59) | (15,339.68) |
| Tax at the maximum tax rate of 34.94% | (1,270.42) | (5,360.30) |
| **Reconciling items** | | |
| Tax saving due to capital gains | (25.94) | (34.00) |
| Expenses not deductible for tax purposes | 19.20 | 55.72 |
| Tax on other comprehensive income | (13.14) | 7.68 |
| Deferred tax created as per concessional rate | 367.42 | 891.85 |
| MAT credit reversal | 31.05 | – |
| Deferred tax expense of earlier years | – | 32.77 |
| Others | (8.84) | 0.99 |
| **Tax expenses as per Statement of Profit and Loss** | **(900.67)** | **(4,405.29)** |

Consequent to reconciliation items shown above, the effective tax rate is 24.41% (March 31, 2021 : 28.77%).

**c. Deferred tax related to the following:**

| Particulars | As at March 31, 2022 | Recognised through profit and loss and OCI | As at March 31, 2021 | Recognised through profit and loss and OCI | As at March 31, 2020 |
|---|---|---|---|---|---|
| **Deferred tax assets on account of:** | | | | | |
| Provision for bad and doubtful debts | 997.70 | (71.81) | 1,069.51 | 57.53 | 1,011.98 |
| Provision for compensated absences | 106.33 | 4.68 | 101.65 | (6.12) | 107.77 |
| Provision for gratuity | 334.66 | 26.97 | 307.69 | 2.36 | 305.33 |
| Deferred rent | 4.80 | (2.94) | 7.74 | (0.76) | 8.50 |
| MAT credit entitlement | 5,475.39 | (31.05) | 5,506.44 | 159.35 | 5,347.09 |
| Business loss carried forward | 2,630.51 | 982.42 | 1,648.09 | 1,648.09 | – |
| Lease liabilities and Right-of-use assets - Ind AS 116 | 1,969.48 | 108.34 | 1,861.14 | 403.19 | 1,457.95 |
| Others | 431.94 | (23.51) | 456.62 | (397.98) | 854.60 |
| **Total deferred tax assets** | **11,950.81** | **993.10** | **10,958.88** | **1,865.66** | **9,093.22** |
| **Deferred tax liabilities on account of:** | | | | | |
| Depreciation | 8,014.54 | (8.89) | 8,023.43 | (2,688.37) | 10,711.80 |
| Unrealised gain on securities carried at fair value through profit or loss | 816.67 | 98.60 | 718.08 | 149.13 | 568.95 |
| Others | 10.16 | 2.72 | 7.44 | (0.59) | 8.02 |
| **Total deferred tax liabilities** | **8,841.37** | **92.43** | **8,748.95** | **(2,539.83)** | **11,288.77** |
| **Total deferred tax assets/(liabilities) (net)** | **3,109.44** | **900.67** | **2,209.93** | **4,405.49** | **(2,195.55)** |

# Significant accounting policies and other explanatory information to the standalone financial statements

## 33. 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 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Property, plant and equipment | 272.31 | 170.74 |
| **Total** | **272.31** | **170.74** |

## 34. DISCLOSURE AS PER IND AS 116

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,

- the Company assesses whether the contract involves the use of an identified asset,
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

The Company has lease contracts for offices premises and transmission facilities used in its operations. Leases of transmission facilities generally have a lease term of 15 years, while offices generally have lease terms ranging from 5 to 10 years.

The Company has also applied the available practical expedients wherein it:

1. Used a single discounting rate to a portfolio of leases with reasonably same characteristics.
2. Applied short term leases exemptions to leases with lease term that ends within 12 months at the date on initial application.
3. Excluded the initial direct cost from the measurement of the Right of use of asset at the date of initial application.
4. Used practical expedients which permits lessees not to account for COVID 19 related rent concessions as a lease modification.

**Lease Liabilities**

The Company recognises a lease liability measured at the present value of all the remaining lease payments, discounted using the Company's incremental borrowing rate.

The Company's non-current lease liabilities are included in Non-current financial liabilities (Refer Note 19) and current lease liabilities are included in current financial liabilities (Refer Note 22). The maturity analysis of lease liabilities is disclosed in Note 45 – Financial Risk Management

Movement in lease liability during the year are follows:

(₹ in lakhs)

| Particulars | Offices premises | Transmission facilities | Total |
|---|---|---|---|
| **As on April 1, 2021** | **7,233.52** | **12,961.54** | **20,195.06** |
| Additions | 1,020.91 | – | 1,020.91 |
| Modification | 894.22 | (17.27) | 876.95 |
| Deletions | (308.53) | – | (308.53) |
| Accretion of interest | 545.64 | 1,062.45 | 1,608.09 |
| Payments | (1,538.71) | (1,687.25) | (3,225.96) |
| **As on March 31, 2022** | **7,847.05** | **12,319.47** | **20,166.52** |
| Current | 610.81 | 767.52 | 1,378.33 |
| Non-current | 7,236.24 | 11,551.95 | 18,788.19 |

**Right of Use Asset**

For new lease contracts, the Company recognises a Right of Use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee. The lease liability and the Right of Use assets is initially measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of recognition. Depreciation is computed using straight-line method over the lease term. The Company's Right of Use assets were recognised and shown separately in the Balance Sheet (Refer Note 4).

# Significant accounting policies and other explanatory information to the standalone financial statements

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise Right of Use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**For the year:**

a. Depreciation expense increased by ₹ 1,982.91 lakhs (previous year: ₹ 2,470.08 lakhs) on account of depreciation on Right of Use assets recognised.

b. Rent expense included in 'Operating and other expenses', decreased by ₹ 2,917.04 lakhs (previous year: ₹ 3,256.36 lakhs) on account of operating leases recognised previously.

c. Finance costs increased by ₹ 1,608.09 lakhs (previous year: ₹ 1,756.43 lakhs) on account of interest expense on lease liabilities recognised.

d. Cash outflow from operating activities decreased by ₹ 2,917.04 lakhs (previous year: ₹ 3,256.36 lakhs) on account of decrease in operating lease payments.

e. Cash outflow from financing activities increased by ₹ 3,277.29 lakhs (previous year: ₹ 3,027.55 lakhs) on account of increase in principal and interest payments of lease liabilities.

## 35. TRADE PAYABLES

**Details of Micro, Small and Medium Enterprises**

Information, as per the requirement of Section 22 of 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 and are relied upon by the Statutory auditors.

The details are as follows:

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| The principal amount remaining unpaid to any | | |
| a. supplier at the end of accounting year included in | | |
| i. Trade payables | 34.76 | 16.99 |
| ii. The interest due on above | 7.06 | 4.68 |
| **The total of (i) and (ii)** | **41.82** | **21.67** |
| b. The amount of interest paid by the buyer in terms of section 16 of the Act | — | — |
| c. The amount of the payment made to the supplier beyond the appointed day during the accounting year | — | — |
| d. The amounts of interest accrued and remaining unpaid at the end of financial year | 7.06 | 4.68 |
| e. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act | — | — |

## 36. DIVIDEND PAID AND PROPOSED

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Dividends declared and paid on equity shares:** | | |
| Dividend for the year ended on March 31, 2021 - ₹ 1 per share (March 31, 2020 - ₹1 per share) | 476.70 | 476.70 |
| **Proposed Dividend on equity shares: (Refer Note below)** | | |
| Dividend for the year ended on March 31, 2022 - ₹ 1 per share (March 31, 2021- ₹ 1 per share) | 476.70 | 476.70 |

**Note :**

a. Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability as at March 31, 2022.

# Significant accounting policies and other explanatory information to the standalone financial statements

## 37. THE COMPANY HAS CLASSIFIED THE VARIOUS EMPLOYEE BENEFITS PROVIDED TO EMPLOYEES AS UNDER:

### I) Defined Contribution Plans

a) Provident Fund

b) Employee's Pension Scheme

c) Employee State Insurance Scheme

d) National Pension Scheme

During the year, the Company has recognised the following amounts in the standalone statement of profit and loss:

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| – Employers' Contribution to Provident Fund* | 235.99 | 226.40 |
| – Employers' Contribution to Employee's Pension Scheme 1995* | 138.31 | 146.83 |
| – Employers' Contribution to Employee State Insurance Scheme* | 1.34 | 1.95 |
| – Employers' Contribution to National Pension Scheme* | 19.21 | 20.33 |
| – Employers' Contribution to Labour welfare fund* | 0.41 | 0.42 |

* Included in Contributions to Provident and Other Funds (Refer note 28)

### II) Defined Benefit Plans

**Post-employment obligations**

Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act. Employees who are in continuous service for a period of 5 years or death while in employment 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 ₹ 20 lakhs.

These plans typically expose the Company to actuarial risks such as interest risk and salary inflation risk.

a) **Interest risk** – A decrease in the discount rate will increase the plan liability.

b) **Salary inflation risk** – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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 March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount Rate (per annum) | 6.09% | 6.06% |
| Rate of increase in Compensation levels | 10.00% p.a. for the next 1 year, 8.00% p.a. thereafter | 8.50% p.a. for the next 1 year, 7.50% p.a. for 2nd year, and 8.00% p.a. thereafter |
| Rate of employee turnover | For service 2 years and below 27.50% p.a.; For service 3 years to 4 years 22.50% p.a.; For service 5 years and above 15.00% p.a. | For service 2 years and below 27.50% p.a.; For service 3 years to 4 years 22.50% p.a.; For service 5 years and above 15.00% p.a. |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) Ultimate |

#### A) Changes in the Present value of obligation

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of obligation at the beginning of the year | 891.58 | 882.22 |
| Interest cost | 54.03 | 50.82 |
| Past service cost | — | — |
| Current service cost | 94.67 | 101.93 |
| Benefits paid | (106.84) | (116.89) |
| Actuarial (Gain) / Loss on obligations | 53.84 | (26.50) |
| **Present value of obligation as at the year end** | **987.28** | **891.58** |

## Significant accounting policies and other explanatory information to the standalone financial statements

**B) Reconciliation of Present Value of defined benefit obligation and the fair value of assets**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 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 | 987.28 | 891.58 |
| Unrecognised actuarial (Gains) / Losses | – | – |
| **Unfunded (Liability) recognised in Balance Sheet** | **987.28** | **891.58** |

**C) Amount recognised in the Balance Sheet**

| | | |
|---|---|---|
| Present value of defined benefit obligation at the end of the year | 987.28 | 891.58 |
| Fair value of plan assets as at the end of the year | | |
| **Liability recognised in the Balance Sheet** | **987.28** | **891.58** |
| **Recognised under:** | | |
| Employee benefit obligations – non current | 860.91 | 777.11 |
| Employee benefit obligations – current | 126.37 | 114.47 |

**D) Expenses recognised in the Statement of Profit and Loss**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Current service cost | 94.67 | 101.93 |
| Past service cost | – | – |
| Interest cost | 54.03 | 50.82 |
| **Total amount recognised in profit or loss** | **148.70** | **152.75** |
| Loss from change in demographic assumptions | 0.15 | – |
| Loss from change in financial assumptions | 18.28 | 12.47 |
| Experience losses | 35.41 | 14.03 |
| **Total expenses recognised in the statement of profit and loss** | **202.54** | **126.25** |

**E) Experience adjustment**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Defined benefit obligation | 987.28 | 891.58 |
| Plan Assets | – | – |
| Deficit / (Surplus) | 987.28 | 891.58 |
| Experience adjustment on plan liabilities (Gain) / Loss | 53.84 | (26.50) |

The estimates of future salary increase, 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 attrition rate. 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:

| | | |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 987.28 | 891.58 |
| Increase of 1% in rate of discounting | (41.58) | (38.96) |
| Decrease of 1% in rate of discounting | 46.01 | 43.14 |
| Increase of 1% in rate of Salary increase | 44.57 | 41.91 |
| Decrease of 1% in rate of Salary increase | (41.10) | (38.63) |
| Increase of 1% in rate of employee turnover | (7.78) | (6.28) |
| Decrease of 1% in rate of employee turnover | 8.33 | 6.77 |

# Significant accounting policies and other explanatory information to the standalone financial statements

**G) Maturity analysis of Projected Benefit Obligation from the employer**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 1st following year | 126.37 | 114.47 |
| 2nd following year | 197.23 | 112.97 |
| 3rd following year | 154.97 | 164.77 |
| 4th following year | 119.71 | 133.30 |
| 5th following year | 90.57 | 99.36 |
| Sum of years 6 to 10 | 313.19 | 284.86 |
| Above 10 years | 365.35 | 336.46 |

**H) Other details**

Weighted average duration of the projected benefit obligation as on March 31, 2022 is 6 years (March 31, 2021- 6 years).

## 38. SEGMENT INFORMATION

In accordance with Accounting Standard Ind AS 108 'Operating Segment' segment information has been disclosed in the consolidated financial statements of Entertainment Network (India) Limited, and therefore, no separate disclosure on segment information is required in these standalone financial statements.

## 39. RELATED PARTY DISCLOSURES

**i. Parties where control exists**

Bennett, Coleman & Company Limited (BCCL) – Holding Company

**ii. Subsidiary Companies**

Alternate Brand Solutions (India) Limited (ABSL)
Entertainment Network, Inc. – (EN Inc)
Entertainment Network, LLC – Subsidiary of EN INC (EN LLC)
Global Entertainment Network Limited W.L.L. (GENL) (w.e.f. March 21, 2021)
Mirchi Bahrain W.L.L. (w.e.f. April 14, 2021)

**iii. Fellow Subsidiary Companies**

Times Innovative Media Limited (TIM)
Grade Stack Learning Private Limited (GSLPL)
Times Internet Limited (TIL)
Optical Media Solutions Limited (OMSL)
Gamma Gaana Limited (GGL)
Metropolitan Media Company Limited (formerly Times VPL Limited) (MMCL)
Vardhaman Publishers Limited (VPL)
BCCL Media International FZ- LLC (BCCL MI)
Junglee Picture Limited (JPL)
Worldwide Media Private Limited (WWM)
MX Media and Entertainment Pte Ltd (MX Media)
Brand Equity Treaties Limited (BETL) (Merged with BCCL w.e.f. September 10, 2020)*
Times Global Broadcasting Company Limited (TGBCL)*
Zoom Entertainment Network Limited (ZENL)*
Magic Bricks Reality Services Limited (MBRSL)*

**iv. Related Party of Holding Company**

OML Entertainment Private Limited (OMLEPL)

MX Media India Limited (MX India)

**v. Key Management Personnel**

**Managing Director and Chief Executive Officer**

Mr. Prashant Panday

**Executive Director and Group Chief Financial Officer**

Mr. N Subramanian

**Non-Executive Directors**

Mr. Vineet Jain

Mr. N. Kumar

Mr. Richard Saldanha

Mr. Ravindra Kulkarni

Ms. Sukanya Kripalu

*There are no transactions with the entities during the year.

# Significant accounting policies and other explanatory information to the standalone financial statements

## vi. Transactions with Related Parties

(₹ in lakhs)

| Particulars | 2021-22 | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company | Subsidiary Companies | | | | | Fellow subsidiary Companies | | | | | | | | | | | | Related Party of Holding Company | | Total |
| | BCCL | ABSL | EN Inc (Refer Note B) | EN LLC (Refer Note B) | MBW | GENL | TIM | GSLPL | TIL | OMSL | GGL | MMCL | VPL | BETL | BCCL MI | JPL | WWM | MX Media | MX India | OMLEPL | |
| **Transactions with Related Parties :** | | | | | | | | | | | | | | | | | | | | | |
| Revenue from contract with customers | 3,826.27 | – | – | 39.01 | 14.79 | 18.22 | 1.74 | 0.11 | 395.15 | – | 118.39 | 22.25 | – | – | 25.61 | 6.48 | 34.03 | 106.20 | – | – | 4,608.25 |
| Rendering of services | 146.80 | 44.56 | – | – | – | – | 124.20 | – | 7.73 | – | 20.83 | – | – | – | – | – | – | – | – | – | 344.12 |
| Receiving of services | 507.23 | 51.25 | – | 1.51 | 23.18 | 20.29 | 3.73 | – | 172.27 | – | 231.83 | 7.40 | 1.58 | – | – | – | 24.81 | – | 11.83 | 2.90 | 1,059.81 |
| Reimbursement of expenses | – | – | 3.06 | 5.07 | – | – | – | – | – | – | 1.31 | – | – | – | – | – | – | – | – | – | 9.44 |
| Investment in subsidiary | – | – | 698.86 | – | 558.94 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 1,257.80 |
| Dividend Paid | 339.18 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 339.18 |
| **Balances as at March 31, 2022** | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables | 2,050.55 | – | – | 5.58 | 2.95 | 3.12 | – | – | – | 45.83 | – | 5.92 | – | – | 26.10 | – | 9.68 | 34.50 | – | – | 2,184.23 |
| Other current assets (Refer Note A) | 450.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 450.00 |
| Other non-current assets (Refer Note A) | 514.16 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 514.16 |
| Contract assets | – | 44.56 | – | 3.42 | 1.25 | 1.59 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 50.82 |
| Other Current financial assets | – | – | – | – | – | – | – | – | – | 1.06 | – | – | – | – | – | – | – | – | – | – | 1.06 |
| Payables | – | 51.25 | – | – | – | – | – | – | 15.91 | – | 96.72 | – | – | – | – | – | – | – | 3.69 | – | 167.57 |

| Particulars | 2020-21 | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company | Subsidiary Companies | | | | | Fellow subsidiary Companies | | | | | | | | | | | | Related Party of Holding Company | | Total |
| | BCCL | ABSL | EN Inc (Refer Note B) | EN LLC (Refer Note B) | MBW | GENL | TIM | GSLPL | TIL | OMSL | GGL | MMCL | VPL | BETL | BCCL MI | JPL | WWM | MX Media | MX India | OMLEPL | |
| **Transactions with Related Parties :** | | | | | | | | | | | | | | | | | | | | | |
| Revenue from contract with customers | 5,241.21 | – | – | 21.52 | – | – | – | 55.23 | 306.25 | – | 4.66 | 36.07 | – | 1,003.01 | 124.65 | – | 12.39 | 197.38 | – | – | 7,002.37 |
| Rendering of services | 27.00 | – | – | – | – | – | 92.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | 119.00 |
| Receiving of services | 491.41 | – | – | – | – | – | 0.28 | – | 531.38 | – | 24.35 | 1.80 | 1.58 | – | – | – | 12.39 | – | 55.03 | 1.25 | 1,119.47 |
| Reimbursement of expenses | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Investment in subsidiary | – | – | 147.58 | – | – | 399.75 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 547.33 |
| Dividend Paid | 339.18 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 339.18 |
| **Balances as at March 31, 2021** | | | | | | | | | | | | | | | | | | | | | |
| Trade receivables | 2,189.38 | – | – | 12.30 | – | – | – | – | 23.40 | – | 123.11 | 18.19 | – | – | 123.92 | – | – | 72.36 | – | – | 2,562.66 |
| Other current assets (Refer Note A) | 140.37 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 140.37 |
| Other non-current assets (Refer Note A) | 964.16 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 964.16 |
| Contract assets | – | – | – | 2.06 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 2.06 |
| Other Current financial assets | – | – | – | – | – | – | 94.52 | – | – | – | – | – | – | – | – | – | – | – | – | – | 94.52 |
| Payables | – | – | – | – | – | – | – | – | 57.46 | – | – | – | 0.15 | – | – | – | 22.22 | – | 64.11 | – | 143.94 |

Note:

A) Balances pertains to unutlised print inventory from the holding Company.

B) The Company has provided continuing and necessary level of financial and operational support to EN Inc and EN LLC to enable them to settle its obligations as and when they fall due, in the foreseeable future.

## Significant accounting policies and other explanatory information to the standalone financial statements

**vii. Details relating to Persons referred to in 39 (v) above**

I. A. Mr. Prashant Panday

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Short-term employee benefits | 321.59 | 222.70 |
| Post-Employment Benefit Obligation | 12.77 | 7.99 |
| **Total Compensation** | **334.36** | **230.69** |

B. Mr. N Subramanian

| | | |
|---|---|---|
| Short-term employee benefits | 387.73 | 316.27 |
| Post-Employment Benefit Obligation | 11.23 | 5.40 |
| **Total Compensation** | **398.96** | **321.67** |

II. Non-executive directors

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Directors' sitting fees and remuneration/ commission | 66.70 | 60.20 |
| **Total** | **66.70** | **60.20** |

**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, 2022 and for the year ended March 31, 2021.

### 40. EARNINGS / (LOSS) 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 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Loss for the year (₹ in lakhs) | (2,748.06) | (10,926.71) |
| Weighted average number of Equity shares (Nos.) | 47,670,415 | 47,670,415 |
| Earnings per share – basic and diluted (₹) | (5.76) | (22.92) |
| Nominal value of an equity share (₹) | 10.00 | 10.00 |

# Significant accounting policies and other explanatory information to the standalone financial statements

**41.** Gross amount required to be spent by the Company during the year for Corporate Social Responsibility (CSR) activities was ₹ 40.00 lakhs (March 31, 2021 - ₹ 119.20 lakhs). Amount spent during the year by the Company is as follows:

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Amount required to be spent as per section 135 of the Companies Act, 2013 | 40.00 | 119.20 |
| Amount spent during the year on: | | |
| (i) Construction/acquisition of an asset | – | – |
| (ii) On purposes other than (i) above | 40.00 | 119.20 |

Nature of activities include promotion of education including special education and employment enhancing vocational skills.

## 42. PENDING LITIGATIONS, CLAIMS AND CONTINGENT LIABILITY:

**a. Pending litigations and claims**

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 ₹ 1,970.04 lakhs as at March 31, 2022 (March 31, 2021 - ₹ 1,635.23 lakhs).

**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 ₹ 19.00 lakhs as at March 31, 2022 (March 31, 2021 - ₹ 19.00 lakhs). The management does not expect the liability from these claims to crystallize and accordingly, no provision has been recognised in the financial statements for the same.

## 43. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The Company's objective is to maintain a strong capital base to ensure a sustainable future growth, maintain a strong credit rating, and to provide adequate returns to the shareholders. The funding requirements of the Company are not large and are generally met through internal accruals.

The net debt of the Company as at March 31, 2022 is Nil (March 31, 2021 - Nil).

Refer Note 50 for information on ratios.

## 44. FAIR VALUE

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:

a. Fair value of cash and cash equivalents, other bank balances, trade and other current financial assets, trade and other payables approximate their carrying amounts due to the short maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

b. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities – Investment in Mutual funds

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.

## Significant accounting policies and other explanatory information to the standalone financial statements

**Fair Value measurement**

**Financial instruments by category**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost** | | | | |
| Investments in Subsidiary | 3,221.89 | – | – | – |
| Trade receivables | 12,679.44 | – | – | – |
| Cash and cash equivalents | 497.16 | – | – | – |
| Bank balances other than cash and cash equivalents | 1.28 | – | – | – |
| Security deposits - current | 60.29 | – | – | – |
| Investment in corporate fixed deposits | 3,000.00 | – | – | – |
| Other current financial assets | 250.71 | – | – | – |
| Security deposits - non current | 2,135.54 | – | – | – |
| **Total** | **21,846.31** | **–** | **–** | **–** |
| **Financial assets at fair value through Profit or Loss** | | | | |
| Current investments in mutual funds | 17,558.35 | 17,558.35 | – | – |
| **Total** | **17,558.35** | **17,558.35** | **–** | **–** |
| **Total financial assets** | **39,404.66** | **17,558.35** | **–** | **–** |
| **Financial liabilities at amortised cost** | | | | |
| Lease liabilities | 20,166.52 | – | – | – |
| Trade payables | 7,178.40 | – | – | – |
| Payables for acquisition of property, plant and equipment | 92.61 | – | – | – |
| Unpaid dividend | 1.23 | – | – | – |
| Employee dues | 397.35 | | | |
| Security deposits - current | 22.78 | – | – | – |
| **Total financial liabilities** | **27,858.89** | **–** | **–** | **–** |

| Particulars | As at March 31, 2021 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost** | | | | |
| Investments in Subsidiary | 1,964.08 | | | |
| Trade receivables | 11,378.95 | – | – | – |
| Cash and cash equivalents | 557.47 | – | – | – |
| Bank balances other than cash and cash equivalents | 1.25 | – | – | – |
| Security deposits - current | 205.81 | – | – | – |
| Investment in corporate fixed deposit | 2,100.00 | – | – | – |
| Other current financial assets | 212.06 | – | – | – |
| Security deposits - non current | 2,012.70 | – | – | – |
| **Total** | **18,432.32** | **–** | **–** | **–** |
| **Financial assets at fair value through Profit or Loss** | | | | |
| Current investments in mutual funds | 19,101.70 | 19,101.70 | – | – |
| **Total** | **19,101.70** | **19,101.70** | **–** | **–** |
| **Total financial assets** | **37,534.02** | **19,101.70** | **–** | **–** |
| **Financial liabilities at amortised cost** | | | | |
| Lease liabilities | 20,195.06 | – | – | – |
| Trade payables | 7,558.53 | – | – | – |
| Payables for acquisition of property, plant and equipment | 177.04 | – | – | – |
| Unpaid dividend | 1.26 | – | – | – |
| Employee dues | 62.19 | – | – | – |
| Security deposits - current | 22.78 | – | – | – |
| **Total financial liabilities** | **28,016.86** | **–** | **–** | **–** |

# Significant accounting policies and other explanatory information to the standalone financial statements

**Assets for which fair values are disclosed**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| Investment properties (Note 6)* | 217.95 | – | 236.13 | – |
| **Total** | **217.95** | **–** | **236.13** | **–** |

| Particulars | As at March 31, 2021 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| Investment properties (Note 6)* | 225.14 | – | 236.78 | – |
| **Total** | **225.14** | **–** | **236.78** | **–** |

*The value is determined based on rate prescribed by Government authorities for commercial properties.

During the year ended March 31, 2022 and year ended March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value instruments.

**Reconciliation of level 3 fair value measurements of financial assets is given below:**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Opening balance | – | – |
| Addition during the year | – | – |
| Redemption during the year | – | – |
| **Closing balance** | **–** | **–** |

## 45. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include security deposits, investment in mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's senior management oversees the management of these risks through appropriate policies and procedures in accordance with Company's policies and risk objectives. The Company's activities expose it to a variety of credit risks, market risks and liquidity 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, investment in Corporate fixed deposits, balances with banks and foreign exchange transactions.

**Trade Receivables**

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.

Trade receivables consists of a large number of customers. The Company has a credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined.

Total Trade receivables (net of provisions) as on March 31, 2022, is ₹ 12,679.44 lakhs (March 31, 2021: ₹ 11,378.95 lakhs). The Company believes the concentration of risk with respect to trade receivables is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company uses the expected credit loss model as per Ind AS 109 – 'Financial Instruments' to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The

## Significant accounting policies and other explanatory information to the standalone financial statements

provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12.

Movement in allowance for doubtful debts are as follows:-

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening provision | 3,243.68 | 3,015.10 |
| Add: (Withdrawn) / Additional provision made | (285.34) | 228.58 |
| **Closing provision** | **2,958.34** | **3,243.68** |

**Investments in debt mutual funds, Corporate fixed deposit, and balances with banks**

Credit risk from balances with banks and investments in debt mutual funds is managed by the Company's treasury department in accordance with the Company's policy. The Company believes the concentration of risk with respect to Investment in debt mutual funds, balances with banks and investment in Corporate fixed deposits is low, as the investments of surplus funds are made only with approved counterparties.

**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. Management monitors the Company's net liquidity position through rolling forecasts based on expected cash flows. 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, Investments in mutual funds and the cash flow generated from operations. 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 ₹ 17,558.36 lakhs (March 31,2021 ₹ 19,101.71 lakhs) that are expected to readily generate cash inflows for managing liquidity risk.

**Maturities of financial liabilities**

The tables below represent the Company's entire non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in lakhs)

| Contractual maturities of financial liabilities | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year |
| Trade payables | 7,178.40 | – | 7,558.53 | – |
| Lease liabilities | 2,891.60 | 25,347.88 | 3,021.88 | 25,990.03 |
| Other financial liabilities | 513.97 | – | 263.27 | – |

**c. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk viz. Currency risk, Interest rate risk and other Price risk such as equity Price risk and commodity risk.

The Financial instruments affected by market risk include investments in mutual fund. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions.

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.

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | USD | AED | EUR | QAR | BHD |
| Trade receivables | 1.36 | 1.26 | 0.42 | 0.15 | 0.01 |
| Trade payables | 0.01 | – | – | – | – |

# Significant accounting policies and other explanatory information to the standalone financial statements

(₹ in lakhs)

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | USD | AED |
| Trade receivables | 1.47 | 6.26 |
| Trade payables | 0.21 | – |

The Company does not have derivatives contract outstanding as at March 31, 2022 (March 31, 2021: Nil).

Foreign currency risk sensitivity analysis:

A reasonably possible change in foreign exchange rates by 5% (March 31, 2021: 5%) would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | |
|---|---|---|---|---|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| USD - INR | 5.12 | (5.12) | 4.66 | (4.66) |
| AED - INR | 1.30 | (1.30) | 6.24 | (6.24) |
| EUR - INR | 1.78 | (1.78) | – | – |
| QAR - INR | 0.16 | (0.16) | – | – |
| BHD - INR | 0.15 | (0.15) | – | – |
| **Increase/(decrease) in profit or loss** | **8.50** | **(8.50)** | **10.90** | **(10.90)** |

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 does not have any financial instruments other than investment in mutual funds that are subject to fluctuation on account of change in market interest rates.

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 in accordance with the framework and policies set by the Board of Directors.

46. During the previous year ended March 31, 2021, the Company invested in 96,530 equity shares i.e. 49% equity of Global Entertainment Network Limited W.L.L (GENL) (A company incorporated under the laws of the State of Qatar having its registered office in Doha, Qatar). The remaining 51% of equity stake is owned by another Company (Marhaba FM). Basis the shareholding agreement executed by the Company with Marhaba FM, the Company has controlling interest over GENL. As a result, the investment made in GENL is treated as an investment in subsidiary as per Ind AS 110 - Consolidated Financial Statements.

47. During the previous year ended March 31, 2021, the Company initiated the process of incorporating a wholly owned subsidiary, Mirchi Bahrain W.L.L to commence radio broadcasting and related business in the Kingdom of Bahrain. The Share capital of Mirchi Bahrain W.L.L is 150,000 shares having face value of Bahraini Dinar (BHD) 1. The Company remitted the share application money on March 31, 2021, and the shares were allotted subsequent to the year-end, on April 14, 2021. Pursuant to this, Mirchi Bahrain W.L.L. became a wholly owned subsidiary of the Company with effect from April 14, 2021.

    As a result, in the previous year ended March 31, 2021, the Company has disclosed the above investments as 'Share application money paid, pending allotment' under other Non-Current Financial assets as per Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013.

## 48. IMPACT OF COVID -19 PANDEMIC

The Company has considered the possible effects that may result from the continued outbreak of this pandemic on the standalone financial statements. However, there have been no significant changes in the controls and processes which are key to our ability to run operations without disruptions in difficult conditions.

The Company has assessed its operations and the recoverability of its assets based on estimate of the future results and various internal and external information up to the date of approval of these standalone financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. We expect the Company's business to benefit from the overall economic recovery.

# Significant accounting policies and other explanatory information to the standalone financial statements

The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising on account of future economic conditions and the impact on its business.

## 49. EXCEPTIONAL ITEMS IN THE PREVIOUS YEAR ENDED MARCH 31, 2021 CONSIST OF:

a. Write back on reassessment of performance royalty liability recorded in earlier years and no longer required, post the Intellectual Property Appellate Board (IPAB) order dated December 31, 2020. The write back amounted to ₹ 2,323.03 lakhs for the year ended March 31, 2021.

b. Provision recorded for impairment of certain non-financial assets amounting to ₹ 9,749.42 lakhs.

The Company operates FM radio broadcasting and media solutions business under the brand names 'Mirchi', 'Mirchi Love', and 'Kool FM'. 'Mirchi Love' and 'Kool FM' represent Company's second and third frequencies respectively. During the previous year ended March 31, 2021, based on the performance of, 'Mirchi Love' and 'Kool FM' and relevant economic and market indicators, the Company identified indicators of impairment of certain non-financial assets related to these two brands. The Company's evaluation involved comparing the carrying value of these specific assets with their recoverable amount which was determined basis the cash flows expected to be generated by these brands up to the expected dates of cessation of their respective FM Radio Broadcasting license.

The future cash flows considered key assumptions such as volume growth, margins, etc. with due consideration for potential risks given the current economic environment in which the entity operates. The discount rates used were pre tax rates based on Weighted average cost of capital and reflects markets assessment of the risk specific to the asset as well as time value of money. The recoverable amount estimates were based on judgements, estimates, assumptions and market data as on the reporting date and ignore subsequent changes in the economic and market conditions.

The future cash flows were discounted using the post-tax nominal discount rate of 12.00% derived from the post-tax weighted average cost of capital. Accordingly, the Company determined the recoverable amounts for these non-financial assets to be ₹ 5,223.11 lakhs and recorded a provision for impairment of ₹ 9,749.42 lakhs for the previous year ended March 31, 2021.

**50.** Financial Ratios as required to be disclosed as per amendment to schedule III to Companies Act, 2013

| Ratio | Numerator | Denominator | For the year ended March 31, 2022 | For the year ended March 31, 2021 | Variance % | Remarks |
|---|---|---|---|---|---|---|
| Current ratio (in times) | Total current assets | Total current liabilities | 3.26 | 3.28 | (0.60%) | |
| Debt-Equity ratio (in times) | Debt consists of lease liabilities | Total equity | 0.26 | 0.25 | 4.08% | |
| Debt service coverage ratio (in times) | Earnings before Interest, Tax, Depreciation and amortization | Interest and Lease liabilities | 0.27 | 0.17 | 54.49% | Refer note a |
| Return on equity ratio (in %) | Profit / (Loss) for the year | Average total equity | (3.49%) | (12.69%) | (72.51%) | Refer note b |
| Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 2.54 | 1.96 | 29.84% | Refer note c |
| Trade payables turnover ratio (in times) | Operating expenses | Average trade payables | 1.53 | 1.10 | 39.20% | Refer note d |
| Net capital turnover ratio (in times) | Revenue from operations | Average working capital (i.e. Total current assets less Total current liabilities) | 1.25 | 1.08 | 16.30% | |
| Net profit ratio (in %) | Profit for the year | Revenue from operations | (8.98%) | (40.95%) | (78.06%) | Refer note e |
| Return on capital employed (in %) | Profit before tax and finance costs | Capital employed = Net worth + Lease liabilities - Deferred tax assets | (2.14%) | (6.18%) | (65.32%) | Refer note f |
| Return on investment (in %) | Income generated from invested funds | Average invested funds in treasury investments | 3.92% | 5.33% | (26.32%) | Refer note g |

**Notes**

a. Debt Service coverage ratio is higher on account of increase in EBITDA in the current year as compared to the previous year where the operations of the Company were impacted by COVID 19 pandemic.

b. Improvement in return on equity ratio for the current year as compared to previous year is on account of reduction in loss in current year and exceptional items recognised in the previous year (Refer note 49).

c. Trade receivables turnover ratio improved due to increase in sales in the current year.

## Significant accounting policies and other explanatory information to the standalone financial statements

d. Trade payables turnover ratio improved due to lower trade payables in the current year.

e. Improvement in net profit ratio is on account of reduction in loss in current year and exceptional items recognised in the previous year (Refer Note 49).

f. Improvement in return on capital employed is on account of reduction in loss in current year as compared to the previous year where the operations of the Company were impacted by COVID 19 pandemic (Refer note 49).

g. Return on investment is lower on account of lower yield from investments during the current year as compared to previous year.

**51.** During the year ended March 31, 2022 and previous year ended March 31, 2021, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 52. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

**53.** The Company did not have any transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto currency or virtual currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

- i. Willful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Borrowings obtained on the basis of security of current assets
- iv. Discrepancy in Utilisation of borrowings

### 54. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

**55.** The previous year figures have been reclassified/ regrouped to conform to this year's classification.

Signatures to notes "1" to "55" forming part of the standalone financial statements.

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director & CEO*
[DIN: 02747925]

**Ashish Gupta**
Partner
Membership No. 504662
Place : Mumbai
Dated : May 6, 2022

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]
Place : Mumbai
Dated : May 6, 2022

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

# FORM AOC-1

## FORM AOC-1

[Pursuant to the first proviso to sub-section [3] of Section 129 read with rule 5 of the Companies [Accounts] Rules, 2014]

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

(₹ in lakhs)

| Sr. No. | Name of the Subsidiary Company | Alternate Brand Solutions (India) Limited (ABSL) | Entertainment Network, INC. (Consolidated) | Global Entertainment Network Limited W.L.L (GENL) | Mirchi Bahrain W.L.L (MBW) |
|---|---|---|---|---|---|
| | **Particulars** | | | | |
| 1 | Reporting Period | March 31, 2022 | March 31, 2022 | March 31, 2022 | March 31, 2022 |
| 2 | Share Capital | 160.00 | 979.47 | 39.33 | 421.42 |
| 3 | Reserves & Surplus | 1,024.16 | (690.24) | 406.28 | (182.43) |
| 4 | Total Assets | 1,230.59 | 1,947.19 | 680.99 | 2,223.00 |
| 5 | Total Liabilities | 46.43 | 1,657.96 | 235.38 | 1,984.01 |
| 6 | Investments | 1,107.36 | – | – | – |
| 7 | Turnover (Total Income) | 89.52 | 1,000.46 | 471.57 | 383.85 |
| 8 | Profit/ (Loss) before taxation | 41.83 | (617.88) | 37.78 | (324.58) |
| 9 | Provision for taxation | 9.26 | – | 1.04 | |
| 10 | Profit / (Loss) after taxation | 32.57 | (617.88) | 36.74 | (324.58) |
| 11 | Other comprehensive income before tax | – | 8.64 | 1.29 | 9.15 |
| 12 | Tax on other comprehensive income | – | – | – | – |
| 13 | Other comprehensive income | – | 8.64 | 1.29 | 9.15 |
| 14 | **Proposed Dividend** | **Nil** | **Nil** | **Nil** | **Nil** |
| 15 | **% of shareholding** | **100%** | **100%** | **49%** | **100%** |

The Company does not have any associate company or joint venture.

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director & CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditor's Report
## on Consolidated Financial Statements

**To the Members of Entertainment Network (India) Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

1. We have audited the accompanying consolidated financial statements of Entertainment Network (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated loss including other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition of revenue and related contract costs for branded and managed solutions business**<br><br>The Group earns revenue from providing branded and managed solutions business that involves providing various services which includes managing and organising Concerts, Award shows, on air properties, brand licensing, multimedia and digital services and managing intellectual properties and activities or events of clients. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained Group's accounting policies pertaining to revenue recognition and assessed compliance with the requirements of Ind AS 115.<br>▪ Obtained an understanding of the management's process and evaluated the design and tested the operating effectiveness of controls around revenue recognition from branded and managed solutions business including for identification of performance obligations and allocation of transaction price towards such performance obligations. |

# Independent Auditor's Report
## on Consolidated Financial Statements

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Refer Note 26 for the revenue recorded for the year pertaining to aforesaid business and Note 2(ii) for the related accounting policy adopted by the management in this respect.<br><br>These services involve multiple performance obligations and transaction price is allocated to such identified separate performance obligations as per standalone selling prices determined by the management for such performance obligations.<br><br>Further, given the nature of these contracts, revenue recognition involves estimation to determine the extent of performance obligations satisfied and the proportion of contract costs incurred to date and costs that are to be recognized as 'contract assets' under the requirements of Ind AS 115, which involves significant management judgments.<br><br>Given the significant estimation involved for branded and solutions business, we have identified this as a key audit matter. | ▪ On a sample basis, read the contracts and inspected other supporting documents/evidence to evaluate appropriateness of management's evaluation of identification of contractual obligations/ deliverables to the customers, determination of progress of completion of these deliverables and recording of related revenues and costs incurred along with the estimation of balance performance obligations and related revenues and costs to complete the remaining contractual obligations, pertaining to such contracts.<br><br>▪ Evaluated the adequacy for disclosure made by the management in the accompanying consolidated financial statements in respect of revenue recognition from the specified business in accordance with the requirements of applicable financial reporting framework. |
| **Expected credit losses ('ECL') on trade receivables**<br><br>The Group assesses impairment provision for doubtful receivables, based on Expected Credit Loss (ECL) model, as per Ind AS 109, Financial Instruments to state the entity's trade receivables to their carrying amount, which approximates their fair value. Management evaluates and calculates the expected credit losses using a provision matrix based on historical credit loss experience, specific reviews of customer accounts, experience with such customers, current economic and business conditions and industry assessment. In calculating expected credit loss, the Group has considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Group has trade receivables (net of provision) of ₹ 13,114.28 lakhs and provision of ₹ 2,998.40 lakhs as on balance sheet date.<br><br>The appropriateness of the provision for expected credit loss is subjective due to the high degree of judgment applied by management in determining the provisioning matrix. Due to the significance of trade receivables and the related estimation uncertainty this is considered as a key audit matter in the current year. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained understanding of management's process over credit origination, credit monitoring and credit remediation by evaluating the Group's impairment policy and methodology;<br><br>▪ Evaluated management's continuous assessment of the assumptions used in the impairment provision matrix. These considerations include whether there are regular receipts from the customers, the Group's past collection history as well as an assessment of the customers' credit ability to make payments.<br><br>▪ Obtained the ageing analysis of trade receivables and tested on a sample basis, the ageing of trade receivables at year end and discussed with management the reasons of any long outstanding amounts where no provisions were recorded and also evaluated management's assumptions used in determining the impairment provision, through detailed analyses of ageing of receivables, assessment of material overdue individual trade receivables and past trends of bad debts charged to the statement of profit and loss.<br><br>▪ Assessed the reasonableness of management's procedures to ascertain recoverability from the customers/sectors which have been impacted significantly due to COVID-19 by evaluating their payment patterns including subsequent payment testing. |

# Independent Auditor's Report
## on Consolidated Financial Statements

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| | ▪ Verified mathematical accuracy of provision computation based on model considered by the management.<br><br>▪ Assessed the adequacy for disclosure made by the management in the accompanying consolidated financial statements in respect of ECL in accordance with the requirements of applicable financial reporting framework. |
| **Impairment Assessment of Property, plant and equipment, Right-to-use of assets and Intangible assets**<br><br>The Group has non-financial assets in the form of Property, Plant and Equipment, Right-to-use of assets and Intangible assets ('specified non-financial assets') which are carried at cost less accumulated depreciation/ amortization and impairment (if any) amounting to ₹ 5,933.50 lakhs, ₹ 18,194.93 lakhs and ₹ 39,727.93 lakhs respectively as at 31 March 2022.<br><br>As at 31 March 2022, in view of recent business losses which was determined to be an impairment indicator under the requirements of Ind AS 36, Impairment of Assets ('Ind AS 36'), the Group has performed an impairment assessment of all the specified non-financial assets using discounted cash flow method to assess the value-in-use of such assets, which requires judgement in respect of certain key inputs such as future cash flows, determining an appropriate discount rate, etc.<br><br>Based on the aforesaid assessment the Group has not recorded further impairment charge against the non-financial assets during the year ended 31 March 2022 including for the assets related to 'Mirchi Love' and 'Kool FM', as the recoverable amount is higher than the carrying value.<br><br>We considered impairment assessment of property, plant and equipment, right-to-use of assets and intangible assets as a key audit matter in the current year audit because of the significant judgement and management estimates involved around impairment assessment. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained an understanding of and evaluated the process and controls designed and implemented by the management to assess the potential impairment of non-financial assets. Further, tested the operating effectiveness of such controls during the year.<br><br>▪ Evaluated the Group's accounting policy in respect of impairment assessment, and the methods and models used to determine the recoverable amounts of property, plant and equipment, right-to-use of assets and intangible assets, in accordance with the requirements of Ind AS 36.<br><br>▪ Reviewed the process of determination of the level at which the impairment assessment was performed by the Group and assessed that the same is in line with the requirements of Ind AS 36 considering the nature of the Group's operations.<br><br>▪ Involved our internal valuation experts and reviewed the appropriateness of the key valuation assumptions including the discount rates used within the discounted cash flow model.<br><br>▪ Evaluated the reasonableness of the key inputs and assumptions such as growth rates, etc. used by the management in cash flow projections basis our understanding of the business and by comparing it with readily available market information and underlying macro-economic factors.<br><br>▪ Performed sensitivity analysis on the assumptions used in projections to ensure significant headroom.<br><br>▪ Compared the carrying value of the net assets with the estimated discounted future cash flows determined by the management and ensured arithmetical accuracy of management impairment assessment workings as above. |

# Independent Auditor's Report
## on Consolidated Financial Statements

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| | ▪ Evaluated the adequacy of the disclosures made in the consolidated financial statements, in respect of impairment assessment of specified non-financial assets as required by applicable financial reporting framework. |
| **Recoverability assessment of deferred tax assets**<br><br>As detailed in note 9A to the consolidated financial statements, the Group has deferred tax assets ('DTA') (net) amounting to ₹ 3,179.01 lakhs outstanding as at 31 March 2022 which includes ₹ 5,545.00 lakhs of DTA recognised on Minimum Alternate Tax ('MAT') credit and ₹ 2,630.51 lakhs DTA recognised on brought forward business losses.<br><br>Refer Note 2(xv) for the related accounting policy adopted by the Group on deferred tax.<br><br>The Group's ability to utilise the deferred tax assets is assessed by the management at the close of each reporting period and it depends upon the forecasts of future results that the Group expects to achieve within the period by which such MAT credit and brought forward business losses may be adjusted as governed by the provisions of the Income Tax Act, 1961.<br><br>As per the management's assessment, the financial projections show a significant increase in profitability over the coming years, which will result in increase in income tax liability against which the available MAT credit and brought forward business losses can be utilised as mentioned above.<br><br>Such financial projections about the growth in business operations and activities involves significant management judgement and estimates.<br><br>We have identified recoverability assessment of deferred tax assets based on expected utilisation of MAT credit and brought forward business losses, as a key audit matter in the current year audit considering the materiality of the amounts and significant judgment involved in estimation of future taxable profits and the probability of utilising the MAT credit and tax losses. | Our audit procedures included, but were not limited to, the following:<br><br>▪ Obtained understanding and evaluation of the process and controls designed and implemented by the management over recognition and recoverability assessment of DTA based on the evaluation of Group's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets on MAT credit and Business losses within the time prescribed by income tax laws. Further, tested the operating effectiveness of such controls.<br><br>▪ Obtained the financial projections prepared by the management and verified the cash flow forecasts used in the recoverability assessment of DTA to the approved business plans.<br><br>▪ Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. Obtained understanding from the management about the predicted business growth and viability of achieving those projections.<br><br>▪ Evaluated management's assessment of time period available for adjustment of such deferred tax assets on MAT credit and Business losses as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets on MAT credit and business losses as per the requirements of Ind AS 12, Income Taxes.<br><br>▪ Assessed the adequacy of the disclosures made in the consolidated financial statements in respect of aforesaid DTA balances in accordance with the requirements of applicable financial reporting framework. |

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

# Independent Auditor's Report
## on Consolidated Financial Statements

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to

# Independent Auditor's Report
## on Consolidated Financial Statements

financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of ₹ 2,903.99 lakhs and net assets of ₹ 684.60 lakhs as at 31 March 2022, total revenues of ₹ 865.86 lakhs and net cash inflows amounting to ₹ 136.87 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, the mentioned two subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements

# Independent Auditor's Report
## on Consolidated Financial Statements

below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, Chartered Accountants, who has expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 15 June 2021.

### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. As required by section 143(3) of the Act, based on our audit, 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 financial statements;
    b) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    c) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
    d) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
    e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
    f) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42 to the consolidated financial statements;
        ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company covered under the Act, during the year ended 31 March 2022;
        iv. a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and beliefas disclosed in note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any

# Independent Auditor's Report
## on Consolidated Financial Statements

other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 50 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 36 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

The subsidiary company, has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

**Ashish Gupta**
Partner
Membership Number: 504662
UDIN: 22504662AIMMFJ3773

Place: Mumbai
Date: 06 May 2022

# Annexure
## to the Independent Auditor's Report

### Annexure I

**List of entities included in the Consolidated Financial Statements**

1. Entertainment Network (India) Limited (Holding Company)
2. Alternate Brand Solutions (India) Limited (Subsidiary Company)
3. Entertainment Network, Inc. (Subsidiary Company)
4. Entertainment Network, LLC. (Step-down subsidiary Company)
5. Global Entertainment Network Limited W.L.L. (Subsidiary Company)
6. Mirchi Bahrain W.L.L. (Subsidiary Company) (w.e.f. 14 April 2021)

# Annexure
## to the Independent Auditor's Report

### Annexure II

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Entertainment Network (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company which are companies covered under the Act, as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, 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 consolidated financial statements, whether due to fraud or error.

5. 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 with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

#### Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of

# Annexure
to the Independent Auditor's Report

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

## Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013

**Ashish Gupta**
Partner
Membership Number: 504662
UDIN: 22504662AIMMFJ3773

Place: Mumbai
Date: 06 May 2022

# CONSOLIDATED Balance Sheet

(₹ in lakhs)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 5,933.50 | 6,658.30 |
| Right-of-use-assets | 4 | 18,194.93 | 15,500.85 |
| Capital work-in-progress | 5 | 61.89 | 172.90 |
| Investment properties | 6 | 217.94 | 225.14 |
| Other intangible assets | 7 | 39,727.93 | 44,182.84 |
| Financial assets | | | |
| Other financial assets | 8 | 2,203.91 | 2,336.51 |
| Deferred tax assets (net) | 9A | 3,179.01 | 2,282.22 |
| Income tax assets (net) | 9B | 2,780.34 | 2,211.68 |
| Other non-current assets | 10 | 568.18 | 1,074.49 |
| **Total non-current assets** | | **72,867.63** | **74,644.93** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 11 | 21,665.73 | 22,283.14 |
| Trade receivables | 12 | 13,114.28 | 11,440.72 |
| Cash and cash equivalents | 13 | 1,189.99 | 1,046.09 |
| Bank balances other than cash and cash equivalents | 14 | 1.28 | 1.25 |
| Other financial assets | 15 | 260.66 | 416.28 |
| Other current assets | 16 | 1,520.80 | 1,402.50 |
| **Total current assets** | | **37,752.74** | **36,589.98** |
| **TOTAL ASSETS** | | **110,620.37** | **111,234.91** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 4,767.04 | 4,767.04 |
| Other equity | 18 | 71,310.49 | 75,439.35 |
| **Total equity attributable to shareholders** | | **76,077.53** | **80,206.39** |
| Non-controlling interests | | 29.54 | 20.03 |
| **Total equity** | | **76,107.07** | **80,226.42** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 19 | 21,222.54 | 18,812.87 |
| Employee benefit obligations | 20 | 1,056.31 | 979.74 |
| **Total non-current liabilities** | | **22,278.85** | **19,792.61** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 21 | | |
| (A) total outstanding dues of micro enterprises and small enterprises | | 41.82 | 21.67 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,502.30 | 7,638.81 |
| Lease liabilities | 22 | 2,312.73 | 1,718.92 |
| Other financial liabilities | 23 | 527.48 | 458.58 |
| Other current liabilities | 24 | 1,611.59 | 1,184.30 |
| Employee benefit obligations | 25 | 238.53 | 193.60 |
| **Total current liabilities** | | **12,234.45** | **11,215.88** |
| **TOTAL EQUITY AND LIABILITIES** | | **110,620.37** | **111,234.91** |
| Significant accounting policies and other explanatory information | 1-54 | | |
| The above Consolidated Balance Sheet should be read with the accompanying notes | | | |

This is the Consolidated Balance Sheet referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Ashish Gupta**
Partner
Membership No. 504662

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

Place : Mumbai
Dated : May 6, 2022

# CONSOLIDATED
# Statement of Profit & Loss

(₹ in lakhs)

| | Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| Revenue from operations | 26 | 32,330.41 | 27,208.84 |
| Other income | 27 | 1,637.66 | 1,908.68 |
| **Total Income** | | **33,968.07** | **29,117.52** |
| **Expenses** | | | |
| Employee benefits expense | 28 | 10,932.48 | 9,252.07 |
| Finance costs | 29 | 1,824.15 | 1,890.87 |
| Depreciation and amortisation expenses | 30 | 9,093.31 | 9,922.51 |
| Operating and other expenses | 31 | 16,616.39 | 16,345.50 |
| **Total Expenses** | | **38,466.33** | **37,410.95** |
| **Loss before exceptional items and tax** | | **(4,498.26)** | **(8,293.43)** |
| Exceptional items | 48 | — | (7,165.18) |
| **Loss before tax** | | **(4,498.26)** | **(15,458.61)** |
| **Tax expense:** | 32 | | |
| Current tax | | 7.57 | 12.15 |
| Deferred tax | | (884.80) | (4,453.22) |
| Deferred tax of earlier years | | — | 32.77 |
| **Total tax expenses** | | **(877.23)** | **(4,408.30)** |
| **Loss for the year** | | **(3,621.03)** | **(11,050.31)** |
| **Other Comprehensive Income (OCI)** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| – Remeasurement of post employment benefit obligations | | (53.84) | 26.50 |
| – Income tax relating to items that will not be reclassified to profit or loss | | 13.14 | (7.68) |
| **Items that will be reclassified to profit or loss** | | | |
| – Exchange differences on translation of foreign operations | | 19.09 | (11.70) |
| – Income tax relating to items that will be reclassified to profit or loss | | — | — |
| **Total other comprehensive income for the year, net of tax** | | **(21.61)** | **7.12** |
| **Total Comprehensive Income for the year** | | **(3,642.64)** | **(11,043.19)** |
| **Loss for the year** | | | |
| **Attributable to:** | | | |
| Shareholders of the Company | | (3,630.21) | (11,050.31) |
| Non-controlling interests | | 9.18 | — |
| | | **(3,621.03)** | **(11,050.31)** |
| **Other Comprehensive income for the year** | | | |
| **Attributable to:** | | | |
| Shareholders of the Company | | (21.94) | 7.12 |
| Non-controlling interests | | 0.33 | — |
| | | **(21.61)** | **7.12** |
| **Total comprehensive income for the year** | | | |
| **Attributable to:** | | | |
| Shareholders of the Company | | (3,652.15) | (11,043.19) |
| Non-controlling interests | | 9.51 | — |
| | | **(3,642.64)** | **(11,043.19)** |
| **Earnings per equity share [nominal value per share: ₹ 10 (March 31, 2021: ₹ 10)]** | | | |
| – Basic | 40 | (7.60) | (23.18) |
| – Diluted | | (7.60) | (23.18) |
| Significant accounting policies and other explanatory information | 1-54 | | |

The above Consolidated Statement of Profit and Loss should be read with the accompanying notes

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Ashish Gupta**
Partner
Membership No. 504662

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

Place : Mumbai
Dated : May 6, 2022

## CONSOLIDATED
# Statement of Changes in Equity

**A. Equity Share capital**

**As at March 31, 2022**

(₹ in lakhs)

| Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during year ended March 31, 2022 | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 4,767.04 | — | — | — | **4,767.04** |

**As at March 31, 2021**

| Balance as at April 1, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during year ended March 31, 2021 | Balance as at March 31, 2021 |
|---|---|---|---|---|
| 4,767.04 | — | — | — | **4,767.04** |

**B. Other Equity**

**As at March 31, 2022**

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | Non-controlling interests | Total Other Equity |
|---|---|---|---|---|---|---|
| | Securities premium Refer Note (a) below | Foreign currency translation reserve Refer Note (b) below | Retained earnings Refer Note (c) below | Legal Reserve Refer Note (d) below | | |
| **Balance as at April 1, 2021** | **18,850.70** | **(6.49)** | **56,595.14** | **—** | **20.03** | **75,459.38** |
| Changes in accounting policy or prior period errors | — | — | — | — | — | **—** |
| Restated balance as at April 1, 2021 | — | — | — | — | — | **—** |
| Total Comprehensive Income for the year ended March 31, 2022 | — | 18.76 | (3,670.91) | — | 9.51 | **(3,642.64)** |
| Dividends | — | — | (476.70) | — | — | **(476.70)** |
| Transfer to Legal Reserve | — | — | (3.92) | 3.92 | — | **—** |
| **Balance as at March 31, 2022** | **18,850.70** | **12.27** | **52,443.61** | **3.92** | **29.54** | **71,340.04** |

**As at March 31, 2021**

| Particulars | Reserves and Surplus | | | | Non-controlling interests | Total Other Equity |
|---|---|---|---|---|---|---|
| | Securities premium Refer Note (a) below | Foreign currency translation reserve Refer Note (b) below | Retained earnings Refer Note (c) below | Legal Reserve Refer Note (d) below | | |
| **Balance as at April 1, 2020** | **18,850.70** | **5.21** | **68,103.33** | **—** | **—** | **86,959.24** |
| Non-controlling interests during the year | — | — | — | — | 20.03 | **20.03** |
| Changes in accounting policy or prior period errors | — | — | — | — | — | **—** |
| Restated balance as at April 1, 2020 | — | — | — | — | — | **—** |
| Total Comprehensive Income for the year ended March 31, 2021 | — | (11.70) | (11,031.49) | — | — | **(11,043.19)** |
| Dividends | — | — | (476.70) | — | — | **(476.70)** |
| Transfer to retained earnings | — | — | — | — | — | **—** |
| **Balance as at March 31, 2021** | **18,850.70** | **(6.49)** | **56,595.14** | **—** | **20.03** | **75,459.38** |

# CONSOLIDATED
# Statement of Changes in Equity

**Nature and purpose of reserves**

**a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

**b) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount will be reclassified to profit or loss when the net investment is disposed-off.

**c) Retained earnings**

Retained earnings are the profits of the Group earned till date, less any dividend paid to shareholders.

**d) Legal Reserve**

In accordance with the provisions of Qatar Commercial Companies Law No. 11 of 2015, 10% of the net profit for the year is required to be transferred to the legal reserve until the balance in the reserve equals to 50% of the paid up capital. This reserve is not normally available for distribution except in circumstances specified in the said law.

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This is the Consolidated Statement of Changes in Equity referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

**Ashish Gupta**
Partner
Membership No. 504662

Place : Mumbai
Dated : May 6, 2022

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

CONSOLIDATED
# Statement of Cash Flows

(₹ in lakhs)

| | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| A) | **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| | Loss before exceptional items and tax | (4,498.26) | (8,293.43) |
| | **Adjustments for :** | | |
| | Depreciation and amortisation expenses | 9,093.31 | 9,922.50 |
| | Interest income on fair valuation of deposits | (16.24) | (21.73) |
| | Finance Cost | 1,824.15 | 1,890.87 |
| | Provision no longer required written back | (146.47) | (25.02) |
| | Unclaimed credit written back | (7.55) | (31.04) |
| | Interest on corporate fixed deposits | (153.47) | (70.45) |
| | Profit on rent waiver received and Gain on termination & modification of lease- Ind AS 116 | (390.58) | (518.86) |
| | Gain on fair value of investment | (570.89) | (814.22) |
| | Profit on sale of current investments | (132.70) | (319.59) |
| | Gain / (loss) on foreign currency transaction | (10.39) | 6.74 |
| | Interest income on Income tax refund | (23.39) | – |
| | Loss on sale of property, plant and equipment | 3.46 | 1.70 |
| | Property, plant and equipment written off | 146.46 | 30.70 |
| | Income from Paycheck Protection Programme | (42.26) | – |
| | Provision for doubtful debts (net) | (284.33) | 249.37 |
| | Bad debts written off | 73.94 | 133.86 |
| | **Operating profit before working capital changes** | **4,864.79** | **2,141.40** |
| | **Adjustments for changes in working capital :** | | |
| | (Increase)/ Decrease in trade receivables | (1,486.08) | 4,225.14 |
| | (Increase)/ Decrease in other non current financial assets | (145.52) | 379.37 |
| | Increase in bank balances other than cash and cash equivalents | 0.03 | 0.15 |
| | Decrease in other current financial assets | 86.13 | 17.07 |
| | (Increase)/ Decrease in other non current assets | 450.00 | (964.16) |
| | (Increase)/ Decrease in other current non financial assets | (112.56) | 1,120.03 |
| | Increase/ (Decrease) in other current financial liabilities | 359.15 | (1.15) |
| | Increase/ (Decrease) in trade payables | 31.04 | (1,986.12) |
| | Increase/ (Decrease) in other current liabilities | 435.52 | (1,267.98) |
| | Increase in provisions | 114.28 | 11.58 |
| | **Cash generated from operations** | **4,596.78** | **3,675.33** |
| | Taxes paid (net) | (551.96) | (599.50) |
| | **Net cash generated from Operating Activities (A)** | **4,044.82** | **3,075.83** |

## CONSOLIDATED
# Statement of Cash Flows

(₹ in lakhs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **B) CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Purchase of Property, plant and equipment including capital work in progress and capital advances | (859.42) | (940.23) |
| Purchase of intangible assets | (7.26) | – |
| Investment in equity shares of Mirchi Bahrain W.L.L (Refer Note 46) | – | (290.76) |
| Proceeds from sale of tangible assets | 39.81 | 33.89 |
| Interest received | 126.61 | 0.59 |
| Investment in corporate fixed deposits | (3,000.00) | (2,100.00) |
| Redemption of corporate fixed deposits | 2,100.00 | – |
| Purchase of Investment property | (4.45) | – |
| Purchase of current investments | (35,897.21) | (35,634.11) |
| Proceeds from sale of current investments | 38,118.23 | 40,192.70 |
| **Net cash from Investing Activities (B)** | **616.31** | **1,262.08** |
| **C) CASH FLOW FROM FINANCING ACTIVITIES :** | | |
| Principal repayment of lease liabilities | (2,505.51) | (1,609.01) |
| Proceeds from issue of share capital (Equity contribution from ENIL) | 290.76 | 20.03 |
| Proceeds from termination of time brokerage arrangement with NJ Broadcasting | – | 261.21 |
| Dividend paid | (476.70) | (476.70) |
| Interest paid on lease liabilities | (1,815.96) | (1,886.96) |
| **Net cash used in Financing Activities (C)** | **(4,507.41)** | **(3,691.43)** |
| **Net Increase in Cash and Cash Equivalents (A)+(B)+(C)** | **153.72** | **646.48** |
| **Cash and Cash Equivalents as at the beginning of the year** | 1,046.09 | 408.22 |
| **Effect of foreign exchange on cash and cash equivalents** | (9.82) | (8.61) |
| **Cash and Cash Equivalents as at the end of the year** | **1,189.99** | **1,046.09** |
| **Components of cash and cash equivalents:** | | |
| Cheques on hand | — | 27.33 |
| Balances with banks in current accounts | 1,189.99 | 1,018.76 |
| | **1,189.99** | **1,046.09** |

The Consolidated Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

Significant accounting policies and other explanatory information 1-54

The above Consolidated Statement of Cash Flows should be read with the accompanying notes

This is the Cash Flow statement referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**Ashish Gupta**
Partner
Membership No. 504662

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director and CEO*
[DIN: 02747925]

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

Place : Mumbai
Dated : May 6, 2022

Place : Mumbai
Dated : May 6, 2022

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 1. 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 its registered office at 4th Floor, A-Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India. The Company operates FM radio broadcasting stations in 63 Indian cities under the brand names 'Mirchi', 'Mirchi Love', and 'Kool FM'.

The Company's principal revenue stream is advertising. Advertising revenues are generated through the sale of airtime in the Company's FM radio broadcasting stations, activations, concerts and monetization of Company's digital and other media properties.

The Company has the following subsidiaries:

a. Alternate Brand Solutions (India) Limited (ABSIL), a wholly owned subsidiary based in India. ABSIL was incorporated on October 31, 2007.

b. Entertainment Network, Inc (EN, Inc) and a step-down subsidiary, Entertainment Network, LLC. (EN, LLC) based in the United States of America. EN, INC is a wholly owned subsidiary of the Company. EN, LLC is the wholly owned subsidiary of EN, INC. EN, INC and EN, LLC were incorporated on January 9, 2019, in the State of Delaware in United States.

c. Global Entertainment Network Limited W.L.L (GENL) (A company incorporated under the laws of the State of Qatar having its registered office in Doha, Qatar). On March 21, 2021, the Company acquired 49% equity of GENL. The remaining 51% of equity stake is owned by another Company (Marhaba FM). Basis the shareholding agreement executed by the Company with Marhaba FM, the Company has management and operational control over GENL and is entitled to 75% of the distributable profits. Since the Company has control over GENL, investment made in GENL is treated as an investment in subsidiary as per Ind AS 110- Consolidated Financial Statements.

d. Mirchi Bahrain W.L.L (MBW) (A limited liability Company registered in the Kingdom of Bahrain). MBW was incorporated on November 26, 2020. MBW became a wholly owned subsidiary of the Company with effect from April 14, 2021.

The Company, ABSIL, EN, Inc, EN, LLC, GENL and MBW are collectively referred to as 'the Group'.

These consolidated financial statements were approved by the Company's Board of Directors on May 6, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation

#### a. Statement of Compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter. The consolidated financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements 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.

#### b. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle.

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

# Significant accounting policies and other explanatory information to the consolidated financial statements

A liability is current when:

a) It is expected to be settled in the normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value (refer note x below)

c. **Functional currency**

The Functional Currency of the Group is the Indian Rupee ( ). These consolidated financial statements are presented in Indian Rupees rounded off to lakhs.

d. **Critical estimates and / or judgements**

The preparation of consolidated 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 consolidated financial statements.

The areas involving critical estimates or judgements are:

a. Useful life of Property, plant and equipment, investment properties and intangible assets - Refer Note 3, Note 6, Note 7, Note 2(v), Note 2(vi) and Note 2(vii)

b. Impairment of trade receivables - Refer Note 12 and Note 2(x)(d)

c. Recognition and recoverability of deferred tax assets - Refer Note 9, Note 32 and Note 2(xv)

d. Recognition of revenue from contracts with customers - Refer Note 26 and Note 2(ii)

e. Current tax expense and payable - Refer Note 32, Note 42 (b) and Note 2(xv)

f. Measurement of lease liabilities and Right-of-use asset - Refer Note 4, Note 34 and Note 2(xii)

g. Measurement defined benefit obligation - Refer Note 37 and Note 2(xi)

h. Provisions and contingencies, including Royalty - Refer Note 42 (a) and Note 2(xviii)

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 judgments made by the management are believed to be reasonable under the prevailing circumstances.

ii. **Revenue from operations**

The core principle of Ind AS 115 - Revenue from Contracts with Customers is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers.

Revenue from contracts with customers is recognised when control of services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Revenue is measured at the fair value of the consideration received or receivable. The revenue recognised is net of discounts, volume rebate and any taxes or duties collected on behalf of the government which are levied on revenue such as Goods and Services tax (GST).

The Group provides radio advertising services and Media Solutions to the clients.

## Significant accounting policies and other explanatory information to the consolidated financial statements

The Group classifies its media solutions as under:

i. Branded Solutions: The Group provides various branded services which include Concerts, Award Shows, On-Air properties, Brand Licensing, Multimedia and Digital services.

ii. Managed Solutions: The Group provides services to manage the intellectual properties, activities or events of Clients

**Revenue from Radio Broadcasting and other services**

a. Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials.

b. Revenue from solutions business is recognised, in the period in which the performance obligations are satisfied

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenues (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

Trade receivables

A receivable represents the Groups's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due or payments are already due but yet to be realized).

Contract Liability

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group satisfies its performance obligation under the contract. Unearned and deferred revenue is recognised when there are billings in excess of revenues.

The Group disaggregates revenue from contracts with customers by the nature of services it provides to the customer.

The billing schedules agreed with customers include periodic performance based payments. Invoices are payable within contractually agreed credit period

Use of significant judgements in revenue recognition

a. The Group's contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume rebates and discount. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract.

d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

## Significant accounting policies and other explanatory information to the consolidated financial statements

### iii. Other Income

a. Dividends, if any are recognised in statement of profit and loss only when:

   a. the right to receive payment is established;

   b. it is probable that the economic benefits associated with the dividend will flow to the Group; and

   c. the amount of the dividend can be measured reliably.

b. Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that 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.

### iv. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the reported 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.

### v. 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 (excluding input tax credit) 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and 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. Unpaid amounts towards acquisition of Property, Plant and Equipment outstanding at each balance sheet date are classified under other current financial liabilities if due within one year from the date of these consolidated financial statements and under other non-current financial liabilities if due after a year from the date of these consolidated financial statements.

## Significant accounting policies and other explanatory information to the consolidated financial statements

Depreciation on Property, Plant and Equipment other than leasehold improvements, is provided on written down value (WDV) 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 Group to compute depreciation is as under:

| Asset class | Depreciation Method | Useful lives estimated by the management (in years) |
|---|---|---|
| Building (including compensation paid for use of land) | WDV | 60 |
| Plant and equipments - Studio | WDV | 15 |
| Plant and equipments -Transmission | WDV | 13 |
| Furniture and fixtures | WDV | 10 |
| Office equipment | WDV | 5 |
| Motor vehicles | WDV | 8 |
| Computers | WDV | 3 |
| Computers – Servers | WDV | 6 |
| Leasehold improvements | Straight Line | Lease period |

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.

**vi. Intangible assets**

a. Frequency Module (FM) Radio Licenses

Non-Refundable One Time Migration Fee paid by the Group for existing FM Radio licenses upon migration to Phase III of the Licensing policy and Non-Refundable One Time Entry Fee paid by the Group for acquiring new FM radio licenses have been capitalised as an intangible asset. These assets are stated at cost less accumulated amortisation and impairment losses, if applicable.

A summary of amortisation policies applied to the licenses is tabulated below:

| Asset class | Amortization Method | Useful lives estimated by the management (in years) |
|---|---|---|
| Non-Refundable One Time Migration Fee | Straight Line | 15 years with effect from April 1, 2015 |
| Non-Refundable One Time Entry Fee | Straight Line | 15 years from the date of operationalisation of the respective stations |

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

b. Software

a. 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 statement of profit and loss account in the year of purchase.

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.

**vii. Investment properties**

Investment in buildings that is not intended to be occupied substantially for use by, or in the operations of the Group, have been classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All repairs and maintenance costs

## Significant accounting policies and other explanatory information to the consolidated financial statements

incurred for the investment properties are charged to statement of profit and loss account when incurred.

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.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (Refer note 6). Fair values are determined based on an annual evaluation performed by a registered valuer. 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.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**viii. 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 recognised as an expense in the period in which they are incurred.

**ix. Foreign currency transactions**

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.

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

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been recognised in Other Comprehensive Income in the statement of Profit and Loss and reported as foreign currency translation reserve in the statement of changes in equity.

**x. Financial instruments**

a. Recognition and initial measurement

The Group recognizes trade receivables and trade payables 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. 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 non-current investments. The portion of non-current investments which is expected to be realized within twelve months from the balance sheet date are classified as current investments.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the statement of profit and loss in the period in which they arise.

## Significant accounting policies and other explanatory information to the consolidated financial statements

ii. Financial liabilities

Financial liabilities are subsequently carried at amortised 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.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" are included in the statement of profit and loss in the period in which they arise.

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 derecognised 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 Group 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. Lifetime losses are the expected credit losses resulting from all possible default events over the expected life of a trade receivables.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Every year, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**xi. Employee benefits**

a. Defined Contribution Plans:

The Group has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Group contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee State Insurance Scheme and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution.

The Group's contributions to the above funds are recognised in the statement of profit and loss every year.

b. Defined Benefit Plans:

The Group provides for gratuity benefit, which is a defined benefit plan, covering all its eligible 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 recognised 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 and loss as past service costs.

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

# Significant accounting policies and other explanatory information to the consolidated financial statements

c. Other long term benefits

The Group 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 within twelve months from the balance sheet date are current. Other such liabilities are considered non-current.

d. Termination benefits are recognised as an expense as and when incurred.

**xii. Leases**

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities in respect of future lease payments and Right of Use assets representing the right to use the underlying assets.

i) Right of Use assets

The Group recognises Right of Use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of Use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Right of Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of Use assets are depreciated on a straight-line basis over the lease term.

ii) Lease liabilities

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date or April 1, 2019 whichever is later. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term or a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense in the statement of Profit and loss.

iv) Termination/Modification of lease

The gain or loss arising from termination shall be determined as the difference between the carrying value of lease liability, and the carrying amount of right to use asset. It shall be recognised in statement of profit and loss when the asset is derecognised.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.

(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

**xiii. 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 financial liabilities in the balance sheet.

## Significant accounting policies and other explanatory information to the consolidated financial statements

**xiv. 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. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events (such as bonus shares),if any, 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.

**xv. 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.

Current Tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax (MAT)

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

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated 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 recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

**xvi. GST paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST, except

a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

b. The net amount of tax receivable/ payable is included as part of receivables/payables, as the case may be, in the balance sheet.

## Significant accounting policies and other explanatory information to the consolidated financial statements

**xvii. 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 if any, is not subject to amortisation and is tested for impairment at each reporting date. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

**xviii. 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.

**xix. Dividends**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as a liability on the date of approval by the Group's Board of Directors.

**xx. License Fees**

As per the applicable Frequency Module (FM) broadcasting policy, license fees is recognised in statement of profit and loss at the rate of 4% of gross revenue or minimum fixed fee for the concerned city, whichever is higher. Minimum fixed fee is 2.5% of the Non-Refundable One Time Entry Fee (NOTEF).

However, for the first three years of operations in the states of North East (i.e. Assam and Meghalaya) and Jammu & Kashmir the rate of License fee was 2% of Gross Revenue or 1.25% of NOTEF, whichever is higher.

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').

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

| Particulars | GROSS CARRYING VALUE | | | | ACCUMULATED DEPRECIATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions | Disposals | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposals | As at March 31, 2022 | For the year (Refer Note 48 (c)) | As at March 31, 2022 |
| Building (including compensation paid for use of land) | 58.83 | – | – | 58.83 | 30.27 | 1.38 | – | 31.65 | – | 27.18 |
| Leasehold improvements | 3,723.93 | 192.86 | 687.09 | 3,229.70 | 1,694.87 | 264.93 | 546.04 | 1,413.76 | – | 1,815.94 |
| Office equipments | 492.57 | 103.72 | 247.77 | 348.52 | 324.06 | 78.30 | 238.55 | 163.81 | – | 184.71 |
| Plant and equipments (Refer note A) | 8,486.65 | 179.13 | 340.79 | 8,324.99 | 4,655.23 | 752.70 | 317.42 | 5,090.51 | – | 3,234.48 |
| Computers | 2,186.97 | 356.67 | 324.91 | 2,218.73 | 1,729.08 | 252.05 | 310.91 | 1,670.22 | – | 548.51 |
| Furniture and fixtures | 223.80 | 17.88 | 22.61 | 219.07 | 127.76 | 24.91 | 20.53 | 132.14 | – | 86.93 |
| Motor vehicles | 100.22 | – | – | 100.22 | 53.40 | 14.52 | – | 67.92 | – | 32.30 |
| Translation difference (Refer note B) | 0.93 | 3.45 | – | 4.38 | 0.93 | – | – | 0.93 | – | 3.45 |
| **Total** | **15,273.90** | **853.71** | **1,623.17** | **14,504.44** | **8,615.61** | **1,388.79** | **1,433.45** | **8,570.94** | **–** | **5,933.50** |

| Particulars | GROSS CARRYING VALUE | | | | ACCUMULATED DEPRECIATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions | Disposals | As at March 31, 2021 | As at April 1, 2021 | For the year | Disposals | As at March 31, 2021 | For the year (Refer Note 48 (c)) | As at March 31, 2021 |
| Building (including compensation paid for use of land) | 58.83 | – | – | 58.83 | 28.82 | 1.45 | – | 30.27 | – | 28.56 |
| Leasehold improvements | 3,627.66 | 215.35 | 119.08 | 3,723.93 | 1,217.87 | 346.27 | 117.27 | 1,446.87 | 248.00 | 2,029.06 |
| Office equipments | 491.38 | 44.73 | 43.54 | 492.57 | 264.86 | 86.93 | 28.03 | 323.76 | 0.30 | 168.51 |
| Plant and equipments (Refer note A) | 8,085.65 | 505.83 | 104.83 | 8,486.65 | 3,483.28 | 912.87 | 68.95 | 4,327.20 | 328.03 | 3,831.42 |
| Computers | 2,065.06 | 160.86 | 38.95 | 2,186.97 | 1,439.84 | 319.86 | 33.22 | 1,726.48 | 2.60 | 457.89 |
| Furniture and fixtures | 220.45 | 15.11 | 11.76 | 223.80 | 102.49 | 29.66 | 4.39 | 127.76 | – | 96.04 |
| Motor vehicles | 100.22 | – | – | 100.22 | 32.28 | 21.12 | – | 53.40 | – | 46.82 |
| Translation difference (Refer note B) | 0.96 | (0.03) | – | 0.93 | 0.93 | – | – | 0.93 | – | – |
| **Total** | **14,650.21** | **941.85** | **318.16** | **15,273.90** | **6,570.37** | **1,718.16** | **251.86** | **8,036.67** | **578.93** | **6,658.30** |

Note:

A. Net carrying value of Plant and equipments includes jointly held assets at Common Transmission Infrastructure (CTI) amounting to ₹ 875.72 Lakhs (as at March 31,2021: ₹ 1,212.91 Lakhs).

B. Translation difference is on account of conversion of the tangible assets held by the Company's foreign subsidiary into the Company's functional currency.

C. Refer note 33 for commitments to the extent not provided for.

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 4 : RIGHT OF USE ASSETS

(₹ in lakhs)

| Particulars | Transmission facilities | Office premises | Total |
|---|---|---|---|
| **Carrying value as at March 31, 2020** | **12,539.29** | **6,518.51** | **19,057.80** |
| Add: Additions for the year | 36.37 | 2,177.36 | 2,213.73 |
| Less: Disposal for the year | 480.84 | 1,304.36 | 1,785.20 |
| Less: Depreciation for the year | 1,485.86 | 1,420.63 | 2,906.49 |
| Less: Impairment for the year (Refer Note 48 (c)) | 1,062.84 | – | 1,062.84 |
| Translation difference | (16.31) | 0.16 | (16.15) |
| **Carrying value as at March 31, 2021** | **9,529.81** | **5,971.04** | **15,500.85** |
| Add: Additions for the year | 3,867.18 | 1,112.92 | 4,980.10 |
| Add: Modification for the year | 104.99 | 905.99 | 1,010.98 |
| Less: Disposal for the year | – | 235.04 | 235.04 |
| Less: Depreciation for the year | 2,045.93 | 1,083.13 | 3,129.06 |
| Translation difference | 60.33 | 6.77 | 67.10 |
| **Carrying value as at March 31, 2022** | **11,516.38** | **6,678.55** | **18,194.93** |

Note : The Group has lease contracts for offices and transmission facilities used in its operations. Leases of transmission facilities generally have a lease terms ranging from 2 to 15 years, while office premises generally have lease terms ranging from 2 to 10 years.

## NOTE 5: CAPITAL WORK-IN-PROGRESS (CWIP)

(₹ in lakhs)

| Particulars | Amount |
|---|---|
| **Carrying value as at March 31, 2020** | **84.58** |
| Add: Additions for the year | 1,315.23 |
| Less: Amount capitalized out of the same | 1,226.91 |
| **Closing balance as on March 31, 2021** | **172.90** |
| Add: Additions for the year | 851.61 |
| Less: Amount capitalized out of the same | 962.62 |
| **Closing balance as on March 31, 2022** | **61.89** |

## Significant accounting policies and other explanatory information to the consolidated financial statements

**CWIP ageing schedule as at March 31, 2022**

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 55.82 | 6.07 | – | – | 61.89 |
| Projects temporarily suspended | – | – | – | – | – |
| **Total** | **55.82** | **6.07** | **–** | **–** | **61.89** |

**CWIP ageing schedule as at March 31, 2021**

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 172.15 | 0.75 | – | – | 172.90 |
| Projects temporarily suspended | – | – | – | – | – |
| **Total** | **172.15** | **0.75** | **–** | **–** | **172.90** |

## NOTE 6 : INVESTMENT PROPERTIES

(₹ in lakhs)

| Particulars | Amount |
|---|---|
| **Carrying value as at March 31, 2020** | **230.96** |
| Add: Additions | – |
| Less: Depreciation | 5.82 |
| **Carrying value as at March 31, 2021** | **225.14** |
| Add: Additions | 4.44 |
| Less: Depreciation | 11.64 |
| **Carrying value as at March 31, 2022** | **217.94** |

Note: The Group's Investment Properties consists of commercial properties whose fair value is as tabulated below. These valuations are based on valuations performed by registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules, 2017.

## Significant accounting policies and other explanatory information to the consolidated financial statements

(₹ in lakhs)

| Fair value | Amount |
|---|---|
| As at March 31, 2020 | 238.46 |
| As at March 31, 2021 | 236.78 |
| As at March 31, 2022 | 236.13 |

### NOTE 7 : OTHER INTANGIBLE ASSETS

(₹ in lakhs)

| Particulars | GROSS CARRYING VALUE | | | | AMORTISATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions (Refer note A) | Disposals | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposals | As at March 31, 2022 | For the year (Refer Note 48 (c)) | As at March 31, 2022 |
| Computer software | 345.06 | 99.57 | – | 444.63 | 223.96 | 63.94 | – | 287.90 | – | 156.73 |
| Trademark license | 272.07 | – | – | 272.07 | 0.82 | 28.47 | – | 29.29 | – | 242.78 |
| Migration fees (Refer note B) | 36,804.74 | – | – | 36,804.74 | 14,698.06 | 2,456.63 | – | 17,154.69 | – | 19,650.05 |
| One time entry fees (Refer note C) | 41,866.34 | – | – | 41,866.34 | 20,183.90 | 2,014.78 | – | 22,198.68 | – | 19,667.66 |
| Translation difference | 1.37 | 9.34 | – | 10.71 | – | – | – | – | – | 10.71 |
| **Total** | **79,289.58** | **108.91** | **–** | **79,398.49** | **35,106.74** | **4,563.82** | **–** | **39,670.56** | **–** | **39,727.93** |

| Particulars | GROSS CARRYING VALUE | | | | AMORTISATION | | | | IMPAIRMENT | NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions (Refer note A) | Disposals | As at March 31, 2021 | As at April 1, 2020 | For the year | Disposals | As at March 31, 2021 | For the year (Refer Note 48 (c)) | As at March 31, 2021 |
| Computer software | 333.44 | 11.62 | – | 345.06 | 170.78 | 53.18 | – | 223.96 | – | 121.10 |
| Trademark license | – | 272.07 | – | 272.07 | – | 0.82 | – | 0.82 | – | 271.25 |
| Migration fees (Refer note B) | 36,804.74 | – | – | 36,804.74 | 12,241.43 | 2,456.63 | – | 14,698.06 | – | 22,106.68 |
| One time entry fees (Refer note C) | 41,866.34 | – | – | 41,866.34 | 9,294.84 | 2,781.41 | – | 12,076.25 | 8,107.65 | 21,682.44 |
| Translation difference | – | 1.37 | – | 1.37 | – | – | – | – | – | 1.37 |
| **Total** | **79,004.52** | **285.06** | **–** | **79,289.58** | **21,707.05** | **5,292.04** | **–** | **26,999.09** | **8,107.65** | **44,182.84** |

Notes:

A) Additions in Other intangible assets (₹ 108.91 lakhs) includes assets acquired separately (March 31, 2021: ₹ 285.06 lakhs).

B) 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 Fee ('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 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 eight years.

C) In the financial year 2015-16, the Company had 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 stations. The NOTEF was partially funded through borrowings. During the year 2016-17 the Company had won 21 new licenses in the Batch 2 of Phase III auctions. The Company paid Non-refundable One Time Entry Fee ("NOTEF") of ₹ 5,140.43 lakhs for these licenses. The NOTEF was funded through borrowings. All the Phase III licenses have a tenure of 15 years from the date of operationalization of such licenses.

## Significant accounting policies and other explanatory information to the consolidated financial statements

### NOTE 8: OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(Unsecured, considered good, unless otherwise stated)** | | |
| Security deposits | 2,203.91 | 2,045.75 |
| Share application money paid, pending allotment (Refer Note 46) | – | 290.76 |
| **Total** | **2,203.91** | **2,336.51** |

### NOTE 9A: DEFERRED TAX ASSETS (NET)

Deferred tax assets and liabilities are attributable to the following items:

| | | |
|---|---|---|
| **Assets:** | | |
| Provision for bad and doubtful debts | 997.70 | 1,069.51 |
| Provision for compensated absences | 106.33 | 101.65 |
| Provision for gratuity | 334.66 | 307.69 |
| Deferred rent | 4.80 | 7.74 |
| MAT credit entitlement | 5,545.00 | 5,592.48 |
| Business loss carried forward | 2,630.51 | 1,648.98 |
| Lease liabilities and Right-of-use assets - Ind AS 116 | 1,969.48 | 1,861.14 |
| Other | 432.01 | 456.83 |
| | **12,020.49** | **11,046.02** |
| **Liability:** | | |
| Depreciation | 8,014.54 | 8,023.43 |
| Unrealised gain on securities carried at fair value through profit or loss | 816.78 | 732.93 |
| Others | 10.16 | 7.44 |
| | **8,841.48** | **8,763.80** |
| **Total Deferred Tax Assets (Net)** | **3,179.01** | **2,282.22** |

### NOTE 9B: INCOME TAX ASSETS (NET)

| | | |
|---|---|---|
| Advance tax and tax deducted at source | 2,780.34 | 2,211.68 |
| [Net of provision of ₹ 4,136.45 Lakhs (Previous year : ₹ 7,558.33 Lakhs)] | | |
| **Total** | **2,780.34** | **2,211.68** |

### NOTE 10: OTHER NON-CURRENT ASSETS

| | | |
|---|---|---|
| Capital advances | 53.12 | 109.53 |
| Receivables from group companies (Refer note 39) | 514.16 | 964.16 |
| Other non current assets | 0.90 | 0.80 |
| **Total** | **568.18** | **1,074.49** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 11 : CURRENT INVESTMENTS

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No of Units | Amount | No of Units | Amount |
| **Investments carried at fair value through profit or loss** | | | | |
| **Mutual fund units (unquoted)** | | | | |
| Aditya Birla Sun Life Saving Fund - Growth-Regular-Plan, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 7,80,895 | 3,438.44 | 7,80,895 | 3,300.89 |
| ICICI Prudential Money Market Fund- Direct Plan Growth, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 9,41,866 | 2,890.53 | 9,41,866 | 2,781.13 |
| Aditya Birla Sun Life overnight Fund -Growth-Direct Plan, of ₹ 100 each | 1,99,557 | 2,294.28 | – | – |
| DSP Liquidity Fund - Direct Plan- Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 68,003 | 2,069.34 | 68,003 | 2,000.09 |
| Axis Treasury Advantage Fund - Regular Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 82,172 | 2,051.94 | 82,172 | 1,972.93 |
| Kotak Money Market Fund - Direct Plan - Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 39,320 | 1,423.68 | – | – |
| Edelweiss India Liquid Fund -Direct Plan - Bonus, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 61,218 | 978.58 | 61,218 | 945.10 |
| Sundaram Banking and PSU Debt Fund -Direct Plan Bonus, of ₹ 10 each (March 31, 2021- ₹ 10 each) | 51,05,654 | 902.73 | 51,05,654 | 873.30 |
| Aditya Birla Sun Life Money Manager Fund- Growth- Regular Plan, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 2,83,737 | 840.65 | 5,48,553 | 1,563.16 |
| UTI Money Market Fund -Direct plan - Growth, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 23,321 | 580.67 | 23,321 | 558.57 |
| Nippon India Liquid Fund - Growth Plan - Growth Option - LFIG, of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each )(formely Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option - LFIG) | 6,973 | 360.11 | 6,983 | 348.95 |
| Aditya Birla Sun life Liquid Fund- Growth Direct Plan, of ₹ 100 each (March 31, 2021 - ₹ 100 each) | 1,04,083 | 357.14 | 1,07,376 | 355.99 |
| Nippon India Liquid Fund - Direct - Growth Plan - Growth Option of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each ) (formerly Reliance Liquid Fund - Treasury Plan - Direct - Growth Plan - Growth Option) | 5,167 | 269.06 | 5,175 | 260.42 |
| Nippon India Money Market Fund-Direct Growth of ₹ 1,000 each (March 31, 2021 - ₹ 1,000 each) | 3,613 | 121.05 | 3,604 | 116.07 |
| Aditya Birla Sun Life Saving Fund - Growth-Direct-Plan, of ₹ 100 each | 19,656 | 87.53 | – | – |
| Kotak Money Market Scheme -Direct Plan- Growth, (March 31, 2021 - ₹ 1,000 each) | – | – | 46,059 | 1,604.59 |
| Aditya Birla Sun Life Floating Rate Fund - Growth- Direct Plan, (March 31, 2021 - ₹ 100 each) | – | – | 2,96,196 | 801.75 |
| Aditya Birla Sun Life Saving Fund - Growth-Direct-Plan, (March 31, 2021 - ₹ 100 each) | – | – | 1,86,508 | 796.08 |
| Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan, (March 31, 2021 - ₹ 1,000 each) | – | – | 64,799 | 721.18 |
| Aditya Birla Sun Life Money Manager Fund- Growth-Direct Plan, (March 31, 2021 - ₹ 100 each) | – | – | 1,98,785 | 570.85 |
| PGIM India Insta Cash Fund - Direct Plan - Growth, (March 31, 2021 - ₹ 100 each) | – | – | 1,70,661 | 457.47 |
| UTI Treasury Advantage Fund - Direct Plan - Growth, (March 31, 2021 - ₹ 1,000 each) | – | – | 5,846 | 154.62 |
| **Investments carried at amortised cost** | | | | |
| **Corporate fixed deposits** | | | | |
| LIC Housing Finance Limited | | 900.00 | | 2,100.00 |
| Housing Department Finance Corporation Limited | | 2,100.00 | | – |
| **Total** | | **21,665.73** | | **22,283.14** |

## Significant accounting policies and other explanatory information to the consolidated financial statements

**Aggregate value of quoted and unquoted investments is as follows:**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Aggregate value of quoted investments | – | – |
| Aggregate value of unquoted investments (net of impairment) | 21,665.73 | 22,283.14 |
| Aggregate market value of quoted investments | – | – |
| Aggregate value of impairment of investments | – | – |

### NOTE 12: TRADE RECEIVABLES

| | | |
|---|---|---|
| **Unsecured, considered good** | | |
| From related parties (Refer note 39) | 2,173.23 | 2,551.51 |
| From others (Refer notes below) | 10,941.05 | 8,889.21 |
| **Total** | **13,114.28** | **11,440.72** |
| **Breakup of security details** | | |
| Secured, considered good | – | – |
| Unsecured considered good | 13,114.28 | 11,440.72 |
| Trade receivables which have significant increase in credit risk | – | – |
| Trade receivables - Credit impaired | 2,998.40 | 3,280.92 |
| **Total (A)** | **16,112.68** | **14,721.64** |
| **Less: Allowance for doubtful trade receivables** | | |
| Unsecured considered good | – | – |
| Trade receivables which have significant increase in credit risk | – | – |
| Trade receivables - Credit impaired | (2,998.40) | (3,280.92) |
| **Total (B)** | **(2,998.40)** | **(3,280.92)** |
| **Total receivables (net) (A+B)** | **13,114.28** | **11,440.72** |

**Trade receivables ageing as at March 31, 2022**

(₹ in lakhs)

| Particulars | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | Undisputed Trade receivables - considered good | 12,356.53 | 559.74 | 170.28 | 27.73 | – | 13,114.28 |
| (ii) | Undisputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (iii) | Undisputed Trade receivables - credit impaired | 138.09 | 76.84 | 268.48 | 658.43 | 1,856.56 | 2,998.40 |
| (iv) | Disputed Trade receivables - considered good | – | – | – | – | – | – |
| (v) | Disputed Trade receivables - which have significant increase in credit risk | – | – | – | – | – | – |
| (vi) | Disputed Trade receivables - credit impaired | – | – | – | – | – | – |
| | **Total** | **12,494.62** | **636.58** | **438.76** | **686.16** | **1,856.56** | **16,112.68** |
| Less: Allowance for doubtful trade receivables | | | | | | | (2,998.40) |
| **Total (net)** | | | | | | | **13,114.28** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

**Trade receivables ageing schedule as at March 31, 2021**

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | **Less than 6 months** | **6 months - 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Undisputed Trade receivables - considered good | 10,477.38 | 639.80 | 323.54 | — | — | 11,440.72 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | — | — | — | — | — | — |
| (iii) Undisputed Trade receivables - credit impaired | 231.33 | 45.93 | 852.61 | 666.63 | 1,484.42 | 3,280.92 |
| (iv) Disputed Trade receivables - considered good | — | — | — | — | — | — |
| (v) Disputed Trade receivables - which have significant increase in credit risk | — | — | — | — | — | — |
| (vi) Disputed Trade receivables - credit impaired | — | — | — | — | — | — |
| **Total** | **10,708.71** | **685.73** | **1,176.15** | **666.63** | **1,484.42** | **14,721.64** |
| Less: Allowance for doubtful trade receivables | | | | | | (3,280.92) |
| **Total** | | | | | | **11,440.72** |

Notes:

A) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Further, no trade or other receivables are due from firms or Private Companies respectively in which any director is a partner, a director or a member.

B) Trade receivables are non-interest bearing and are generally on terms of credit.

C) Refer note 45 for information about credit risk of trade receivables.

**Expected credit loss for trade receivables under simplified approach as at March 31, 2022**

(₹ in lakhs)

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount - trade receivables | 12,494.62 | 636.58 | 438.76 | 686.16 | 1,856.56 | 16,112.68 |
| Gross carrying amount - contract assets | 97.80 | 3.22 | — | — | — | 101.02 |
| Expected loss rate | 1.11% | 12.07% | 61.19% | 95.96% | 100.00% | 18.61% |
| Expected credit losses (Loss allowance provision) - trade receivables | 138.09 | 76.84 | 268.48 | 658.43 | 1,856.56 | 2,998.40 |
| Expected credit losses (Loss allowance provision) - contract assets | — | — | — | — | — | — |
| **Carrying amount of trade receivables** | **12,356.53** | **559.75** | **170.28** | **27.72** | **—** | **13,114.28** |
| **Carrying amount of contract assets (net of impairment)** | **97.80** | **3.22** | **—** | **—** | **—** | **101.02** |

**Expected credit loss for trade receivables under simplified approach as at March 31, 2021**

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount - trade receivables | 10,708.71 | 685.73 | 1,176.15 | 666.63 | 1,484.42 | 14,721.64 |
| Gross carrying amount - contract assets | 31.44 | 13.82 | — | — | — | 45.26 |
| Expected loss rate | 2.16% | 6.70% | 72.49% | 100.00% | 100.00% | 22.29% |
| Expected credit losses (Loss allowance provision) - trade receivables | 231.33 | 45.93 | 852.61 | 666.63 | 1,484.42 | 3,280.92 |
| Expected credit losses (Loss allowance provision) - contract assets | — | — | — | — | — | — |
| **Carrying amount of trade receivables** | **10,477.38** | **639.80** | **323.54** | **—** | **—** | **11,440.72** |
| **Carrying amount of contract assets (net of impairment)** | **31.44** | **13.82** | **—** | **—** | **—** | **45.26** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 13: CASH AND CASH EQUIVALENTS

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Cheques on hand | – | 27.33 |
| Balances with banks: | | |
| in current accounts | 1,189.99 | 1,018.76 |
| **Total** | **1,189.99** | **1,046.09** |

Refer note 45 for information about credit risk of cash and cash equivalents.

## NOTE 14: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | | |
|---|---|---|
| Unpaid dividend account | 1.28 | 1.25 |
| **Total** | **1.28** | **1.25** |

Refer note 45 for information about credit risk of bank balances other than cash and cash equivalents.

## NOTE 15: OTHER FINANCIAL ASSETS (CURRENT)

| | | |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| Due from related parties (Refer note 39) | 1.06 | 94.52 |
| Security deposits | 60.29 | 205.91 |
| Interest accrued on deposits | 98.29 | 70.59 |
| Contract assets - unbilled receivables | 101.02 | 45.26 |
| **Total** | **260.66** | **416.28** |

## NOTE 16: OTHER CURRENT ASSETS

| | | |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| Prepaid expenses | 514.12 | 496.20 |
| Advances recoverable in cash or in kind or for value to be received | 531.68 | 740.93 |
| Receivables from group companies (Refer note 39) | 450.00 | 140.37 |
| Others | 25.00 | 25.00 |
| **Total** | **1,520.80** | **1,402.50** |

## NOTE 17: EQUITY SHARE CAPITAL

| | | |
|---|---|---|
| **Authorised capital** | | |
| 120,000,000 (Previous Year : 120,000,000) equity shares of ₹ 10 each | 12,000.00 | 12,000.00 |
| **Issued, Subscribed and Paid-up** | | |
| 47,670,415 (Previous Year : 47,670,415) equity Shares of ₹ 10 each fully paid-up share capital | 4,767.04 | 4,767.04 |
| | **4,767.04** | **4,767.04** |

**Notes:**

**(a) Terms attached to equity shares**

The Group 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. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

# Significant accounting policies and other explanatory information to the consolidated financial statements

| | | No. of Shares | No. of Shares |
|---|---|---|---|
| **(b)** | **Details of promoters shareholding as at year end** | | |
| i) | Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited (the 'Holding Company') | 3,39,18,400 | 3,39,18,400 |
| | % of total shares | 71.15% | 71.15% |
| | % change during the year | – | – |
| **(c)** | **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company** | **No of Shares (in %)** | **No of Shares (in %)** |
| i) | Bennett, Coleman & Company Limited, the Holding Company | 33,918,400 (71.15%) | 33,918,400 (71.15%) |

**(d) Reconciliation of number of shares** (₹ in lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| Balance as at beginning of the year | 47,670,415 | 4,767.04 | 47,670,415 | 4,767.04 |
| Add: Equity shares issued during the year | – | – | – | – |
| **Balance as at the end of the year** | **47,670,415** | **4,767.04** | **47,670,415** | **4,767.04** |

## NOTE 18: OTHER EQUITY

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Securities Premium | 18,850.70 | 18,850.70 |
| Retained earnings | 52,443.60 | 56,595.14 |
| Legal reserve | 3.92 | – |
| Foreign currency translation reserve | 12.27 | (6.49) |
| | **71,310.49** | **75,439.35** |
| **Retained Earnings** | | |
| Balance as at beginning of the year | 56,595.14 | 68,103.33 |
| Add: Loss for the year | (3,630.21) | (11,050.31) |
| Add: Other comprehensive income for the year | (40.70) | 18.82 |
| Less : Dividend on equity shares (Refer Note 36) [per share ₹ 1.00 (Previous year: ₹ 1.00)] | (476.70) | (476.70) |
| Less: Transfer to legal reserve | (3.92) | – |
| **Balance as at the end of the year** | **52,443.60** | **56,595.14** |
| **Foreign currency translation reserve** | | |
| Balance as at beginning of the year | (6.49) | 5.21 |
| Add: Other comprehensive income for the year | 18.76 | (11.70) |
| **Balance as at the end of the year** | **12.27** | **(6.49)** |
| **Legal Reserve** | | |
| Balance as at beginning of the year | – | – |
| Add: Transfer from Retained Earnings | 3.92 | – |
| **Balance as at the end of the year** | **3.92** | **–** |
| **Non-controlling interests** | | |
| Balance as at beginning of the year | 20.03 | – |
| Non-controlling interests during the year | – | 20.03 |
| Add: Profit for the year | 9.18 | – |
| Add: Other comprehensive income for the year | 0.33 | – |
| **Balance as at the end of the year** | **29.54** | **20.03** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 19 : LEASE LIABILITIES (NON CURRENT)

**(Refer Note 34 and Note 45)** (₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Office | 7,273.45 | 6,417.79 |
| Transmission facilities | 13,949.09 | 12,395.08 |
| **Total** | **21,222.54** | **18,812.87** |

## NOTE 20: EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer note 37) | 860.91 | 777.11 |
| Provision for compensated absences | 195.40 | 202.63 |
| **Total** | **1,056.31** | **979.74** |

## NOTE 21 : TRADE PAYABLES

| | | |
|---|---|---|
| (A) total outstanding dues of micro enterprises and small enterprises (Refer note 35) | 41.82 | 21.67 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Payable to related parties (Refer note 39) | 116.32 | 216.41 |
| Other Trade payables | 7,385.98 | 7,422.40 |
| **Total** | **7,544.12** | **7,660.48** |

**Trade payables ageing schedule as at March 31, 2022**

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 23.23 | 8.81 | 7.18 | 2.60 | 41.82 |
| (ii) Others | 4,421.40 | 775.03 | 840.39 | 1,465.48 | 7,502.30 |
| (iii) Disputed Dues - MSME | — | — | — | — | — |
| (iv) Disputed Dues - Others | — | — | — | — | — |
| **Total** | **4,444.63** | **783.84** | **847.57** | **1,468.08** | **7,544.12** |

**Trade payables ageing schedule as at March 31, 2021**

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 17.98 | 3.69 | — | — | 21.67 |
| (ii) Others | 4,475.23 | 1,337.79 | 587.93 | 1,237.86 | 7,638.81 |
| (iii) Disputed Dues - MSME | — | — | — | — | — |
| (iv) Disputed Dues - Others | — | — | — | — | — |
| **Total** | **4,493.21** | **1,341.48** | **587.93** | **1,237.86** | **7,660.48** |

Refer note 45 for information about credit risk of of trade payables

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **NOTE 22 : LEASE LIABILITIES (CURRENT)** | | |
| **(Refer Note 34 and Note 45)** | | |
| Office | 650.32 | 864.35 |
| Transmission facilities | 1,662.41 | 854.57 |
| **Total** | **2,312.73** | **1,718.92** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 23: OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Employee dues | 397.35 | 62.19 |
| Unpaid dividend | 1.23 | 1.26 |
| Payables for acquisition of property, plant and equipment | 106.12 | 372.35 |
| Security deposit | 22.78 | 22.78 |
| **Total** | **527.48** | **458.58** |

## NOTE 24 : OTHER CURRENT LIABILITIES

| | | |
|---|---|---|
| Contract liabilities | 576.41 | 515.19 |
| Statutory dues | 971.40 | 563.58 |
| Others | 63.78 | 105.53 |
| **Total** | **1,611.59** | **1,184.30** |

## NOTE 25: EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

| | | |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note 37) | 133.59 | 114.48 |
| Provision for compensated absences | 104.94 | 79.12 |
| **Total** | **238.53** | **193.60** |

## NOTE 26 : REVENUE FROM OPERATIONS

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **A) Revenue from contracts with customers** | | |
| Revenue disaggregation by type of service | | |
| I) Radio Advertising Services (FCT) | | |
| a) Owned | 22,936.11 | 17,841.21 |
| b) Traded | – | 77.32 |
| **Total (I)** | **22,936.11** | **17,918.53** |
| II) Solutions business | | |
| a) Branded Solutions | 5,431.81 | 5,978.94 |
| b) Managed Solutions | 3,769.19 | 3,051.54 |
| **Total (II)** | **9,201.00** | **9,030.48** |
| **Total Revenue (A) = (I)+(II)** | **32,137.11** | **26,949.01** |

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115 as unsatisfied (or partially satisfied) performance obligation are parts of contracts that have an original expected duration of one year or less. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

# Significant accounting policies and other explanatory information to the consolidated financial statements

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Changes in contract assets are as follows:** | | |
| Balance at the beginning of the year | 45.26 | 145.65 |
| Less : Invoices raised during the year | (45.26) | (145.65) |
| Add: Revenue recognised during the year | 101.02 | 45.26 |
| **Balance at the end of the year** | **101.02** | **45.26** |
| **Changes in contract liabilities are as follows:** | | |
| Balance at the beginning of the year | 515.19 | 245.32 |
| Less : Revenue recognised that was included in the contract liabilities balance at the beginning of the year | (507.64) | (214.28) |
| Less : Unclaimed credit write back | (7.55) | (31.04) |
| Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 576.41 | 515.19 |
| **Balance at the end of the year** | **576.41** | **515.19** |
| **B) Other operating income** | | |
| Provision no longer required written back | 83.98 | – |
| Other operating income | 109.32 | 259.83 |
| **Total (B)** | **193.30** | **259.83** |
| **Total Revenue from operations (A+B)** | **32,330.41** | **27,208.84** |

## NOTE 27 : OTHER INCOME

| | | |
|---|---|---|
| Interest income | | |
| – On Income tax refund | 23.39 | – |
| – On fair valuation of deposits | 15.41 | 20.37 |
| – On others | 0.82 | 1.36 |
| Profit on sale of current investments | 132.70 | 318.14 |
| Profit on sale of non current investments (net) | – | 1.46 |
| Gain on fair value of investment | 570.89 | 814.22 |
| Gain on foreign currency transaction | 1.13 | – |
| Management fees | 249.83 | 92.00 |
| Rent income | 49.73 | 27.00 |
| Unclaimed credit written back | 7.55 | 31.04 |
| Interest on corporate fixed deposit and others | 153.47 | 70.45 |
| Profit on rent waiver received - Ind As 116 | 22.47 | 191.65 |
| Gain on termination and modification of lease -Ind AS 116 | 368.11 | 327.21 |
| Miscellaneous income | 42.16 | 13.78 |
| **Total** | **1,637.66** | **1,908.68** |

## NOTE 28 : EMPLOYEE BENEFITS EXPENSE

| | | |
|---|---|---|
| Salaries, wages and bonus | 9,990.45 | 8,517.38 |
| Contributions to provident and other funds | 397.13 | 395.93 |
| Gratuity (Refer note 37) | 155.97 | 152.75 |
| Staff welfare expenses | 388.93 | 186.01 |
| **Total** | **10,932.48** | **9,252.07** |

## NOTE 29 : FINANCE COSTS

| | | |
|---|---|---|
| Interest on lease liabilities under Ind AS 116 | 1,815.98 | 1,815.08 |
| Interest on others | 8.17 | 75.79 |
| **Total** | **1,824.15** | **1,890.87** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation on Property, plant and equipment | 1,388.79 | 1,718.16 |
| Depreciation on Right-of-use assets | 3,129.06 | 2,906.49 |
| Depreciation on Investment properties | 11.64 | 5.82 |
| Amortisation of intangible assets | 4,563.82 | 5,292.04 |
| **Total** | **9,093.31** | **9,922.51** |

## NOTE 31 : OPERATING AND OTHER EXPENSES

| | | |
|---|---|---|
| Royalty | 1,211.67 | 1,566.88 |
| Programming and production expenses | 4,416.12 | 4,613.43 |
| Technical costs | 192.06 | 159.15 |
| License fees | 3,383.28 | 3,273.35 |
| Rent | 161.52 | 39.87 |
| Rates and taxes | 38.15 | 90.05 |
| Power and fuel | 1,175.84 | 1,193.64 |
| Marketing | 897.46 | 508.82 |
| Travelling and Conveyance | 404.15 | 354.77 |
| Insurance | 49.06 | 55.32 |
| Communication | 113.20 | 91.42 |
| Repairs and maintenance on: | | |
| – Buildings | 21.89 | 20.24 |
| – Plant and equipment | 945.47 | 906.91 |
| – Others | 338.14 | 374.69 |
| Legal and professional fees | 1,747.46 | 1,345.93 |
| Software expenses | 504.82 | 402.13 |
| Payments to auditors | | |
| – Audit fee | 53.80 | 51.63 |
| – Other services | 3.00 | 1.35 |
| – Reimbursement of expenses | – | 0.14 |
| | **56.80** | **53.12** |
| Bad debts written off | 66.94 | 133.86 |
| Provision for doubtful debts | (283.70) | 249.37 |
| Provision for doubtful debts withdrawn | (0.63) | – |
| | **(284.33)** | **249.37** |
| Loss on sale of property, plant and equipment | 3.46 | 1.70 |
| Property, plant and equipment written off | 146.46 | 30.70 |
| Director's sitting fees and remuneration/ commission | 66.20 | 60.20 |
| Net loss on foreign currency transaction | – | 6.34 |
| Expenditure towards Corporate Social Responsibility Activities (Refer Note 41) | 40.00 | 119.20 |
| Miscellaneous expenses | 920.57 | 694.41 |
| **Total** | **16,616.39** | **16,345.50** |

## Significant accounting policies and other explanatory information to the consolidated financial statements

### 32. INCOME TAX EXPENSE

**a. The major components of income tax expense are:**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Income tax expense** | | |
| Current tax (i) | 7.57 | 12.15 |
| **Deferred tax** | | |
| Increase in deferred tax assets | (1,023.10) | (1,706.25) |
| Decrease in MAT Credit entitlement | 47.48 | (149.39) |
| Increase / (Decrease) in deferred tax liabilities | 77.68 | (2,557.13) |
| **Total deferred tax credit (ii)** | **(897.94)** | **(4,412.77)** |
| **Income tax expense (i+ii)** | **(890.37)** | **(4,400.62)** |
| **Out of the above recognised in:** | | |
| Statement of profit and loss as total tax expenses | (877.23) | (4,441.07) |
| Other Comprehensive Income | (13.14) | 7.68 |
| Deferred tax expense of earlier years | — | 32.77 |
| **Total tax expense in Statement of profit and loss** | **(890.37)** | **(4,400.62)** |

**b. Reconciliation of income tax expenses and the accounting profit/ (loss) multiplied by tax rate for the year ended:**

| | | |
|---|---|---|
| Loss before taxation | (4,498.26) | (15,458.61) |
| Tax at the maximum tax rate as applicable | (1,258.50) | (5,350.94) |
| **Reconciling items** | | |
| Tax saving due to capital gains | (27.56) | (38.69) |
| Expenses not deductible for tax purposes | 19.20 | 55.72 |
| Tax on other comprehensive income | (13.14) | 7.68 |
| Deferred tax created as per concessional rate | 367.42 | 891.85 |
| MAT credit reversal | 31.05 | — |
| Deferred tax expense of earlier years | — | 32.77 |
| Others | (8.84) | 0.99 |
| **Tax expenses as per Statement of Profit and Loss** | **(890.37)** | **(4,400.62)** |

Consequent to reconciliation items shown above, the effective tax rate is 19.56% (March 31, 2021 : 28.52%).

**c. Deferred tax related to the following:**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | Recognised through profit and loss and OCI | As at March 31, 2021 | Recognised through profit and loss and OCI | As at March 31, 2020 |
|---|---|---|---|---|---|
| **Deferred tax assets on account of:** | | | | | |
| Provision for bad and doubtful debts | 997.70 | (71.81) | 1,069.51 | 57.53 | 1,011.98 |
| Provision for compensated absences | 106.33 | 4.68 | 101.65 | (6.12) | 107.77 |
| Provision for gratuity | 334.66 | 26.97 | 307.69 | 2.36 | 305.33 |
| Deferred rent | 4.80 | (2.94) | 7.74 | (0.76) | 8.50 |
| MAT credit entitlement | 5,545.00 | (47.48) | 5,592.48 | 149.26 | 5,443.22 |
| Business loss carried forward | 2,630.51 | 981.53 | 1,648.98 | 1,648.09 | 0.89 |
| Lease liabilities and Right-of-use assets-Ind AS 116 | 1,969.48 | 108.34 | 1,861.14 | 403.19 | 1,457.95 |
| Others | 432.01 | (23.66) | 456.83 | (397.87) | 854.70 |
| **Total deferred tax assets** | **12,020.49** | **975.63** | **11,046.02** | **1,855.68** | **9,190.34** |
| **Deferred tax liabilities on account of:** | | | | | |
| Depreciation | 8,014.54 | (8.89) | 8,023.43 | (2,688.37) | 10,711.80 |
| Unrealised gain on securities carried at fair value through profit or loss | 816.78 | 83.86 | 732.93 | 131.69 | 601.24 |
| Others | 10.16 | 2.72 | 7.44 | (0.59) | 8.02 |
| **Total deferred tax liabilities** | **8,841.48** | **77.69** | **8,763.80** | **(2,557.27)** | **11,321.06** |
| **Total deferred tax assets/(liabilities) (net)** | **3,179.01** | **897.94** | **2,282.22** | **4,412.95** | **(2,130.72)** |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 33. 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 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Property, plant and equipment | 272.31 | 170.74 |
| **Total** | **272.31** | **170.74** |

## 34. DISCLOSURES AS PER IND AS 116

The Group, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,

- the Group assesses whether the contract involves the use of an identified asset,
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group has lease contracts for offices premises and transmission facilities used in its operations. Leases of transmission facilities generally have a lease term ranging from 2 to 15 years, while office premises generally have lease terms ranging from 2 to 10 years.

The Group has also applied the available practical expedients wherein it:

1. Used a single discounting rate to a portfolio of leases with reasonably same characteristics.
2. Applied short term leases exemptions to leases with lease term that ends within 12 months at the date on initial application.
3. Excluded the initial direct cost from the measurement of the Right of use of asset at the date of initial application.
4. Used practical expedients which permits lessees not to account for COVID 19 related rent concessions as a lease modification.

**Lease Liabilities**

The Group recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the Group's incremental borrowing rate.

The Group's non-current lease liabilities are included in Non-current financial liabilities (Refer Note 19) and current lease liabilities are included in Other current financial liabilities (Refer Note 22). The maturity analysis of lease liabilities is disclosed in Note 45 – Financial Risk Management

Movement in lease liability during the year are follows:

(₹ in lakhs)

| Particulars | Offices premises | Transmission facilities | Total |
|---|---|---|---|
| **As on April 1, 2021** | **7,282.14** | **13,249.65** | **20,531.79** |
| Additions | 1,083.10 | 3,848.70 | 4,931.80 |
| Modifications | 894.22 | (17.27) | 876.95 |
| Deletions | (308.53) | – | (308.53) |
| Accretion of interest | 551.99 | 1,263.99 | 1,815.98 |
| Payments | (1,581.92) | (2,680.24) | (4,262.16) |
| Translation difference | 2.77 | (53.33) | (50.56) |
| **As on March 31, 2022** | **7,923.77** | **15,611.50** | **23,535.27** |
| Current | 650.32 | 1,662.41 | 2,312.73 |
| Non-current | 7,273.45 | 13,949.09 | 21,222.54 |

**Right of Use Assets**

For new lease contracts, the Group recognises a Right of Use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee. The lease liability and the Right of Use assets is initially measured at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of recognition. Depreciation is computed using straight-line method over the lease term. The Group's Right of Use assets were recognised and shown separately in the Balance Sheet (Refer Note 4).

# Significant accounting policies and other explanatory information to the consolidated financial statements

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise Right of Use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**For the year:**

a. Depreciation expense increased by ₹ 3,129.06 lakhs (previous year: ₹ 2,906.49 lakhs) on account of depreciation on Right of Use assets recognised.

b. Rent expense included in 'Operating and other expenses', decreased by ₹ 4,009.09 lakhs (previous year: 3,724.78 lakhs) on account of operating leases recognised previously.

c. Finance costs increased by ₹ 1,815.98 lakhs (previous year: ₹ 1,815.08 lakhs) on account of interest expense on lease liabilities recognised.

d. Cash outflow from operating activities decreased by ₹ 4,009.09 lakhs (previous year: ₹ 3,724.78 lakhs) on account of decrease in operating lease payments.

e. Cash outflow from financing activities increased by ₹ 4,321.47 lakhs (previous year: ₹ 3,495.97 lakhs) on account of increase in principal and interest payments of lease liabilities.

## 35. TRADE PAYABLES

**Details of Micro, Small and Medium Enterprises**

Information, as per the requirement of Section 22 of 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 and are relied upon by the Statutory auditors.

The details are as follows:

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| a. The principal amount remaining unpaid to any supplier at the end of accounting year included in | | |
| ii. Trade payables | 34.76 | 16.99 |
| iii. The interest due on above | 7.06 | 4.68 |
| **The total of (i) and (ii)** | **41.82** | **21.67** |
| b. The amount of interest paid by the buyer in terms of section 16 of the Act | – | – |
| c. The amount of the payment made to the supplier beyond the appointed day during the accounting year | – | – |
| d. The amounts of interest accrued and remaining unpaid at the end of financial year | 7.06 | 4.68 |
| e. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act | – | – |

## 36. DIVIDEND PAID AND PROPOSED

| | | |
|---|---|---|
| **Dividends declared and paid on equity shares:** | | |
| Dividend for the year ended on March 31, 2021 - ₹ 1 per share (March 31, 2020 - ₹ 1 per share) | 476.70 | 476.70 |
| **Proposed Dividend on equity shares: (Refer note below)** | | |
| Dividend for the year ended on March 31, 2022 - ₹ 1 per share (March 31, 2021- ₹ 1 per share) | 476.70 | 476.70 |

**Note :**

a. Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability as at March 31, 2022.

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 37. THE GROUP HAS CLASSIFIED THE VARIOUS EMPLOYEE BENEFITS PROVIDED TO EMPLOYEES AS UNDER:

**I) Defined Contribution Plans**

a) Provident Fund

b) Employee's Pension Scheme

c) Employee State Insurance Scheme

d) National Pension Scheme

During the year, the Group has recognised the following amounts in the consolidated statement of profit and loss:

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| – Employers' Contribution to Provident Fund* | 237.86 | 226.40 |
| – Employers' Contribution to Employee's Pension Scheme 1995* | 138.31 | 146.83 |
| – Employers' Contribution to Employee State Insurance Scheme* | 1.34 | 1.95 |
| – Employers' Contribution to National Pension Scheme* | 19.21 | 20.33 |
| – Employers' Contribution to Labour welfare fund* | 0.41 | 0.42 |

* Included in Contributions to Provident and Other Funds (Refer Note 28)

**II) Defined Benefit Plans**

**Post-employment obligations**

Employees who are in continuous service for a period of 5 years or death while in employment 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 ₹ 20 lakhs.

These plans typically expose the Group to actuarial risks such as interest risk and salary inflation risk.

a) Interest risk – A decrease in the discount rate will increase the plan liability.

b) Salary inflation risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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 March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount Rate (per annum) | 6.09% | 6.06% |
| Rate of increase in Compensation levels | 10.00% p.a. for the next 1 year, 8.00% p.a. thereafter | 8.50% p.a. for the next 1 year, 7.50% p.a. for 2nd year, and 8.00% p.a. thereafter |
| Rate of employee turnover | For service 2 years and below 27.50% p.a.; For service 3 years to 4 years 22.50% p.a.; For service 5 years and above 15.00% p.a. | For service 2 years and below 27.50% p.a.; For service 3 years to 4 years 22.50% p.a.; For service 5 years and above 15.00% p.a. |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) Ultimate |

**A) Changes in the Present value of obligation**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of obligation at the beginning of the year | 891.58 | 882.22 |
| Interest cost | 54.03 | 50.82 |
| Past service cost | — | — |
| Current service cost | 94.67 | 101.93 |
| Benefits paid | (106.84) | (116.89) |
| Actuarial (Gain) / Loss on obligations | 53.84 | (26.50) |
| **Present Value of Obligation as at the year end** | **987.28** | **891.58** |

## Significant accounting policies and other explanatory information to the consolidated financial statements

### B) Reconciliation of Present Value of defined benefit obligation and the fair value of assets

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 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 | 987.28 | 891.58 |
| Unrecognised actuarial (Gains) / Losses | – | – |
| **Unfunded (Liability) recognised in Balance Sheet** | **987.28** | **891.58** |

### C) Amount recognised in the Balance Sheet

| | | |
|---|---|---|
| Present value of obligation at the beginning of the year | 987.28 | 891.58 |
| Fair Value of Plan Assets as at the end of the year | | |
| **Liability recognised in the Balance Sheet** | **987.28** | **891.58** |
| **Recognised under:** | | |
| Employee benefit obligations – non current | 860.91 | 777.11 |
| Employee benefit obligations – current | 126.37 | 114.47 |

### D) Expenses recognised in the Statement of Profit and Loss

| | | |
|---|---|---|
| Current service cost | 94.67 | 101.93 |
| Past service cost | – | – |
| Interest cost | 54.03 | 50.82 |
| **Total amount recognised in profit or loss** | **148.70** | **152.75** |
| Loss from change in demographic assumptions | 0.15 | – |
| Loss from change in financial assumptions | 18.28 | 12.47 |
| Experience losses | 35.41 | 14.03 |
| **Total Expenses recognised in the statement of Profit and Loss** | **202.54** | **126.25** |

### E) Experience adjustment

| | | |
|---|---|---|
| Defined Benefit Obligation | 987.28 | 891.58 |
| Plan Assets | – | – |
| Deficit / (Surplus) | 987.28 | 891.58 |
| Experience Adjustment on Plan Liabilities (Gain) / Loss | 53.84 | (26.50) |

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 attrition rate. The sensitivity analysis 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:

| | | |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 987.28 | 891.58 |
| Increase of 1% in rate of discounting | (41.58) | (38.96) |
| Decrease of 1% in rate of discounting | 46.01 | 43.14 |
| Increase of 1% in rate of Salary increase | 44.57 | 41.91 |
| Decrease of 1% in rate of Salary increase | (41.10) | (38.63) |
| Increase of 1% in rate of employee turnover | (7.78) | (6.28) |
| Decrease of 1% in rate of employee turnover | 8.33 | 6.77 |

# Significant accounting policies and other explanatory information to the consolidated financial statements

**G) Maturity analysis of Projected Benefit Obligation from the employer**

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 1st following year | 126.37 | 114.47 |
| 2nd following year | 197.23 | 112.97 |
| 3rd following year | 154.97 | 164.77 |
| 4th following year | 119.71 | 133.30 |
| 5th following year | 90.57 | 99.36 |
| Sum of years 6 to 10 | 313.19 | 284.86 |
| Above 10 years | 365.35 | 336.46 |

**H) Other details**

Weighted Average Duration of the Projected benefit obligation as on March 31, 2022 is 6 years (March 31, 2021 - 6 years).

## 38. 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 consolidated financial statements as at and for the year ended March 31, 2022.

The Group primarily caters to the domestic market and hence there are no reportable geographical segments.

**A) Disclosure of geographical information**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Revenue from operations** | | |
| India | 29,972.43 | 25,358.18 |
| Outside India | 2,357.98 | 1,850.66 |
| **Total** | **32,330.41** | **27,208.84** |

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Non - Current assets** | | |
| India | 63,919.86 | 68,421.20 |
| Outside India | 3,565.02 | 640.84 |
| **Total** | **67,484.88** | **69,062.04** |

As per Ind AS 108 - Operating Segments, non-current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts if any,

(i) located in the entity's country of domicile and

(ii) located in all foreign countries in which the entity holds assets.

## 39. RELATED PARTY DISCLOSURES

**i. Parties where control exists**

Bennett, Coleman & Company Limited (BCCL) – Holding Company

**ii. Fellow Subsidiary Companies**

Times Innovative Media Limited (TIM)

Grade Stack Learning Private Limited (GSLPL)

Times Internet Limited (TIL)

Optical Media Solutions Limited (OMSL)

Gamma Gaana Limited (GGL)

## Significant accounting policies and other explanatory information to the consolidated financial statements

Metropolitan Media Company Limited (formerly Times VPL Limited) (MMCL)
Vardhaman Publishers Limited (VPL)
Junglee Picture Limited (JPL)
BCCL Media International FZ- LLC (BCCL MI)
Worldwide Media Private Limited (WWM)
MX Media and Entertainment Pte Ltd (MX Media)
Times Internet (UK) Ltd (TIL-UK)
Brand Equity Treaties Limited (BETL) (Merged with BCCL w.e.f. September 10, 2020)*
Times Global Broadcasting Company Limited (TGBCL)*
Zoom Entertainment Network Limited (ZENL)*
Magic Bricks Reality Services Limited (MBRSL)*

**iii. Related Parties of Holding Company**

OML Entertainment Private Limited (OMLEPL)
MX Media India Limited (MX India)
BCCL Worldwide Inc. (BWI)

**iv. Key Management Personnel**

**Managing Director and Chief Executive Officer**

Mr. Prashant Panday

**Executive Director & Group Chief Financial Officer**

Mr. N Subramanian

**Non-Executive Directors**

Mr. Vineet Jain
Mr. N. Kumar
Mr. Richard Saldanha
Mr. Ravindra Kulkarni
Ms. Sukanya Kripalu

* There are no transactions with the entities during the year.

# Significant accounting policies and other explanatory information to the consolidated financial statements

## v. Transactions with Related Parties

(₹ in lakhs)

| Particulars | 2021-22 | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company | Fellow subsidiary Companies | | | | | | | | | | | | | Related Parties of the Holding Company | | | Total |
| | BCCL | GSLPL | TIM | TIL | OMSL | GGL | MMCL | VPL | BETL | TIL-UK | BCCL MI | JPL | WWM | MX Media | BWI | MX India | OMLEPL | |
| **Transactions with Related Parties :** | | | | | | | | | | | | | | | | | | |
| Revenue from contract with customers | 3,826.27 | 0.11 | 1.74 | 395.15 | – | 118.39 | 22.25 | – | – | 3.18 | 25.61 | 6.48 | 34.03 | 106.20 | 0.63 | – | – | 4,540.04 |
| Rendering of services | 146.80 | – | 124.20 | 7.73 | – | 20.83 | – | – | – | – | – | – | – | – | – | – | – | 299.57 |
| Receiving of services | 507.23 | – | 3.73 | 172.27 | – | 231.83 | 7.40 | 1.58 | – | – | – | – | 24.81 | – | 292.73 | 11.83 | 2.90 | 1,256.30 |
| Reimbursement of expenses | – | – | – | – | – | 1.31 | – | – | – | – | – | – | – | – | – | – | – | 1.31 |
| Dividend Paid | 339.18 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 339.18 |
| **Balances as at March 31, 2022** | | | | | | | | | | | | | | | | | | |
| Trade receivables | 2,050.55 | – | – | – | 45.83 | – | 5.92 | – | – | – | 26.10 | – | 9.68 | 34.50 | 0.64 | – | – | 2,173.22 |
| Other current assets (Refer Note A) | 450.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 450.00 |
| Other non-current assets (Refer Note A) | 514.16 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 514.16 |
| Other current financial assets | – | – | – | – | 1.06 | – | – | – | – | – | – | – | – | – | – | – | – | 1.06 |
| Payables (net) | – | – | – | 15.91 | – | 96.72 | – | – | – | – | – | – | – | – | – | 3.69 | – | 116.32 |

| Particulars | 2020-21 | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company | Fellow subsidiary Companies | | | | | | | | | | | | | Related Parties of the Holding Company | | | Total |
| | BCCL | GSLPL | TIM | TIL | OMSL | GGL | MMCL | VPL | BETL | TIL-UK | BCCL MI | JPL | WWM | MX Media | BWI | MX India | OMLEPL | |
| **Transactions with Related Parties :** | | | | | | | | | | | | | | | | | | |
| Revenue from contract with customers | 5,241.21 | 55.23 | – | 306.25 | – | 4.66 | 36.07 | – | 1,003.01 | – | 124.65 | – | 12.39 | 197.38 | – | – | – | 6,980.87 |
| Rendering of services | 27.00 | – | 92.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 119.00 |
| Receiving of services | 491.41 | – | 0.28 | 531.38 | – | 24.35 | 1.80 | 1.58 | – | – | – | – | 12.39 | – | 297.54 | 55.03 | 1.25 | 1,417.02 |
| Reimbursement of expenses | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Dividend paid | 339.18 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 339.18 |
| **Balances as at March 31, 2021** | | | | | | | | | | | | | | | | | | |
| Trade receivables | 2,189.40 | – | – | 23.40 | – | 123.11 | 18.19 | – | – | – | 123.92 | – | – | 72.36 | – | – | – | 2,550.37 |
| Other current assets (Refer Note A) | 140.37 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 140.37 |
| Other non-current assets (Refer Note A) | 964.16 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 964.16 |
| Other current financial assets | – | – | 94.52 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 94.52 |
| Payables (net) | – | – | – | 57.46 | – | – | – | 0.15 | – | – | – | – | 22.22 | – | 72.44 | 64.11 | – | 216.38 |

Note A: Balances pertains to unutlised print inventory from the holding Company

# Significant accounting policies and other explanatory information to the consolidated financial statements

**vi. Details relating to Persons referred to in 39 (iv) above**

**I. A. Mr. Prashant Panday**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Short-term employee benefits | 321.59 | 222.70 |
| Post-Employment Benefit Obligation | 12.77 | 7.99 |
| **Total Compensation** | **334.36** | **230.69** |

**B. Mr. N Subramanian**

| | | |
|---|---|---|
| Short-term employee benefits | 387.73 | 316.27 |
| Post-Employment Benefit Obligation | 11.23 | 5.40 |
| **Total Compensation** | **398.96** | **321.67** |

**II. Non-executive directors**

| | | |
|---|---|---|
| Directors' sitting fees and remuneration/ commission | 66.70 | 60.20 |
| **Total** | **66.70** | **60.20** |

**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, 2022 and for the year ended March 31, 2021.

## 40. EARNINGS / (LOSS) 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 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Loss for the year (₹ in lakhs) | (3,621.03) | (11,050.31) |
| Weighted average number of Equity shares (Nos.) | 47,670,415 | 47,670,415 |
| Earnings per share – basic and diluted (₹) | (7.60) | (23.18) |
| Nominal value of an equity share (₹) | 10.00 | 10.00 |

**41.** Gross amount required to be spent by the Group during the year for Corporate Social Responsibility (CSR) activities was ₹ 40.00 lakhs (March 31, 2021 - ₹ 119.20 lakhs). Amount spent during the year by the Group is as follows:

(₹ in lakhs)

| | | |
|---|---|---|
| Amount required to be spent as per section 135 of the Companies Act, 2013 | 40.00 | 119.20 |
| Amount spent during the year on: | | |
| (i) Construction/acquisition of an asset | – | – |
| (ii) On purposes other than (i) above | 40.00 | 119.20 |

Nature of activities include promotion of education including special education and employment enhancing vocational skills.

## 42. PENDING LITIGATIONS, CLAIMS AND CONTINGENT LIABILITY:

**a. Pending litigations and claims**

The Group is involved in various litigations, the outcome of which are considered probable and in respect of which the Group has aggregate provisions of ₹ 1,970.04 lakhs as at March 31, 2022 (March 31, 2021 - ₹ 1,635.23 lakhs).

**b. Contingent liability - taxation**

The Group is contesting certain disallowances to the taxable income and demands raised by the Income tax authorities, the estimated tax liability of which is ₹ 19.00 lakhs as at March 31, 2022 (March 31, 2021 - ₹ 19.00 lakhs). The management does not expect the liability from these claims to crystallize and accordingly, no provision has been recognised in the financial statements for the same.

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 43. CAPITAL MANAGEMENT

Capital includes issued equity capital and other equity reserves attributable to the equity holders of the parent Company. The Group's objective is to maintain a strong capital base to ensure a sustainable future growth, maintain a strong credit rating, and to provide adequate returns to the shareholders. The funding requirements of the Group are not large and are generally met through internal accruals.

The net debt of the Group as at March 31, 2022 is Nil (March 31, 2021- Nil).

## 44. FAIR VALUE

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:

a. Fair value of cash and cash equivalents, other bank balances, trade and other current financial assets, trade and other payables approximate their carrying amounts due to the short maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

b. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities – Investment in Mutual funds

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.

**Fair Value measurement**

**Financial instruments by category** (₹ in lakhs)

| Particulars | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost** | | | | |
| Trade receivables | 13,114.28 | – | – | – |
| Cash and cash equivalents | 1,189.99 | – | – | – |
| Bank balances other than cash and cash equivalents | 1.28 | – | – | – |
| Security deposits - current | 60.29 | – | – | – |
| Investment in Corporate fixed deposits | 3,000.00 | – | – | – |
| Security deposits - non current | 2,203.91 | – | – | – |
| Other current financial assets | 200.37 | – | – | – |
| **Total** | **19,770.12** | **–** | **–** | **–** |
| **Financial assets at fair value through Profit or Loss** | | | | |
| Current investments in mutual funds | 18,665.71 | 18,665.71 | – | – |
| **Total** | **18,665.71** | **18,665.71** | **–** | **–** |
| **Total financial assets** | **38,435.83** | **18,665.71** | **–** | **–** |
| | | | | |
| **Financial liabilities at amortised cost** | | | | |
| Lease liabilities | 23,535.27 | – | – | – |
| Employee dues | 397.35 | – | – | – |
| Trade payables | 7,544.12 | – | – | – |
| Payables for acquisition of property, plant and equipment | 106.12 | – | – | – |
| Unpaid dividend | 1.23 | – | – | – |
| Security deposits - current | 22.78 | – | – | – |
| **Total financial liabilities** | **31,606.87** | **–** | **–** | **–** |

## Significant accounting policies and other explanatory information to the consolidated financial statements

(₹ in lakhs)

| Particulars | As at March 31, 2021 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Financial assets at amortised cost** | | | | |
| Trade receivables | 11,440.72 | – | – | – |
| Cash and cash equivalents | 1,046.09 | – | – | – |
| Bank balances other than cash and cash equivalents | 1.25 | – | – | – |
| Security deposits - current | 205.91 | – | – | – |
| Investment in Corporate fixed deposits | 2,100.00 | – | – | – |
| Security deposits - non current | 2,045.75 | – | – | – |
| Other current financial assets | 210.37 | – | – | – |
| **Total** | **17,050.09** | **–** | **–** | **–** |
| **Financial assets at fair value through Profit or Loss** | | | | |
| Current investments in mutual funds | 20,183.14 | 20,183.14 | – | – |
| **Total** | **20,183.14** | **20,183.14** | **–** | **–** |
| **Total financial assets** | **37,233.23** | **20,183.14** | **–** | **–** |
| **Financial liabilities at amortised cost** | | | | |
| Lease liabilities | 20,531.79 | – | – | – |
| Employee dues | 62.19 | – | – | – |
| Trade payables | 7,660.48 | – | – | – |
| Payables for acquisition of property, plant and equipment | 372.35 | – | – | – |
| Unpaid dividend | 1.26 | – | – | – |
| Security deposits - current | 22.78 | – | – | – |
| **Total financial liabilities** | **28,650.85** | **–** | **–** | **–** |

**Assets for which fair values are disclosed** **(₹ in lakhs)**

| Particulars | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Investment properties (Note 6)*** | 217.94 | – | 236.13 | – |
| **Total** | **217.94** | **–** | **236.13** | **–** |

| Particulars | As at March 31, 2021 | | | |
|---|---|---|---|---|
| | Carrying amount | Fair Values | | |
| | | Level 1 | Level 2 | Level 3 |
| **Investment properties (Note 6)*** | 225.14 | – | 236.78 | – |
| **Total** | **225.14** | **–** | **236.78** | **–** |

*The value is determined based on rate prescribed by Government authorities for commercial properties.

During the year ended March 31, 2022 and year ended March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value instruments.

**Reconciliation of level 3 fair value measurements of financials assets is given below**

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Opening balance | – | – |
| Addition during the year | – | – |
| Redemption during the year | – | – |
| Closing balance | – | – |

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 45. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include security deposits, investment in mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's senior management oversees the management of these risks. The Group's activities expose it to a variety of credit risks, market risks, and liquidity risks. This note explains the sources of risk which the entity is exposed to and how the entity manages the risks 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in debt mutual funds, investment in Corporate fixed deposits, balances with banks and foreign exchange transactions.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group undertakes a detailed review of the credit worthiness of clients before extending credit. Outstanding customer receivables are regularly monitored.

Trade receivables consists of a large number of customers. The Group has a credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Total Trade receivables (net of provisions) as on March 31, 2022 is ₹ 13,114.28 lakhs (March 31, 2021: ₹ 11,440.72 lakhs). The Group believes the concentration of risk with respect to trade receivables is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group uses the expected credit loss model as per Ind AS 109 – 'Financial Instruments' to assess the impairment loss. The Group 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 Group's historical experience in respect of customers. The maximum exposure, to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12.

Movement in allowance for doubtful debts are as follows:-

(₹ in lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening provision | 3,280.92 | 3,032.21 |
| Add: Additional provision recorded | (283.70) | 249.37 |
| Add: Foreign Currency translation | 1.18 | (0.66) |
| **Closing provisions** | **2,998.40** | **3,280.92** |

**Investments in debt mutual funds, Corporate fixed deposit, and balances with banks**

Credit risk from balances with banks and investments in debt mutual funds is managed by the Group's treasury department in accordance with the Group's policy. The Group believes the concentration of risk with respect to Investment in debt mutual funds, balances with banks and investment in Corporate fixed deposits is low, as the investments of surplus funds are made only with approved counterparties.

### b. Liquidity Risk

Liquidity risk is defined as a risk that the Group will not be able to settle or meet its obligations on time. The Group's treasury department is responsible for liquidity, funding as well as settlement management. Management monitors the Group's net liquidity position through rolling forecasts based on expected cash flows. In addition, processes and policies related to such risks are overseen by the Senior Management.

The Group's principal sources of liquidity are cash and cash equivalents, Investments in mutual funds and the cash flow generated from operations. The Group 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 ₹ 18,665.73 lakhs (March 31, 2021 ₹ 20,183.14 lakhs) that are expected to readily generate cash inflows for managing liquidity risk.

## Significant accounting policies and other explanatory information to the consolidated financial statements

**Maturities of financial liabilities**

The tables below represents the Group's entire 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, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year |
| Trade payables | 7,544.12 | – | 7,660.48 | – |
| Lease liabilities | 4,040.62 | 27,882.31 | 3,297.34 | 26,064.43 |
| Other financial liabilities | 527.48 | – | 458.58 | – |

c. **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk viz. Currency risk, Interest rate risk and other Price risk such as equity Price risk and commodity risk.

Financial instruments affected by market risk include investments in mutual fund. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations, provisions.

**Foreign Currency risk**

Foreign currency risk arises due to the fluctuations in foreign currency exchange rates. The Group does not have any material transactions in foreign currencies. Accordingly, its exposure to the foreign currency risk is limited.

(₹ in lakhs)

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | USD | AED | EUR |
| Trade receivables | 1.29 | 1.26 | 0.42 |
| Trade payables | 0.01 | – | – |

(₹ in lakhs)

| Particulars | As at March 31, 2021 | |
|---|---|---|
| | USD | AED |
| Trade receivables | 1.30 | 6.26 |
| Trade payables | 0.21 | – |

The Group does not have derivatives contract outstanding as at March 31, 2022 (March 31, 2021: Nil).

**Foreign currency risk sensitivity analysis:**

A reasonably possible change in foreign exchange rates by 5% (March 31, 2021: 5%) would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lakhs)

| Particulars | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | |
|---|---|---|---|---|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| USD - INR | 4.11 | (4.11) | 4.04 | (4.04) |
| AED - INR | 1.30 | (1.30) | 6.24 | (6.24) |
| EUR - INR | 1.78 | (1.78) | – | – |
| **Increase/(decrease) in profit or loss** | **7.18** | **(7.18)** | **10.28** | **(10.28)** |

**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 Group does not have any financial instruments other than investments in mutual funds that are subject to fluctuation on account of change in market interest rates.

# Significant accounting policies and other explanatory information to the consolidated financial statements

**Price risk**

The Group's exposure to mutual fund securities arises from investments held by the Group 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 Group diversifies its portfolio. Diversification of the portfolio is in accordance with the framework and policies set by the Board of Directors.

**46.** During the previous year ended March 31, 2021, the Company initiated the process of incorporating a wholly owned subsidiary, Mirchi Bahrain W.L.L to commence radio broadcasting and related business in the Kingdom of Bahrain. The Share capital of Mirchi Bahrain W.L.L is 150,000 shares having face value of Bahraini Dinar (BHD) 1. The Company remitted the share application money on March 31, 2021, and the shares were allotted subsequent to the year-end, on April 14, 2021. Pursuant to this, Mirchi Bahrain W.L.L. became a wholly owned subsidiary of the Company with effect from April 14, 2021.

As a result, in the previous year ended March 31, 2021, the above investments had been disclosed as 'Share application money paid, pending allotment' under other Non-Current Financial assets as per Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013.

## 47. IMPACT OF COVID -19

The Group has considered the possible effects that may result from the continued outbreak of this pandemic on the consolidated financial statements. However, there have been no significant changes in the controls and processes which are key to our ability to run operations without disruptions in difficult conditions.

The Group has assessed the estimate of the expected credit loss provision required for trade receivables and the impairment assessment for Right of Use assets of the US Subsidiary based on estimate of the future results and various internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. We expect the Group's business to benefit from the overall economic recovery.

The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes arising on account of future economic conditions and the impact on its business.

## 48. EXCEPTIONAL ITEMS IN THE PREVIOUS YEAR ENDED MARCH 31, 2021 CONSIST OF:

a) Write back on reassessment of performance royalty liability recorded in earlier years and no longer required, post the Intellectual Property Appellate Board (IPAB) order dated December 31, 2020.The write back amounted to ₹ 2,323.03 lakhs for the year ended March 31, 2021.

b) An additional amount of ₹ 261.21 lakhs in respect of fee received consequent to termination of time brokerage arrangement to broadcast radio programmes and content in New York with N J Broadcasting, a US based broadcaster.

c) Provision recorded for impairment of certain non-financial assets amounting to ₹ 9,749.42 lakhs.

The Company operates FM radio broadcasting and media solutions business under the brand names 'Mirchi', 'Mirchi Love', and 'Kool FM'. 'Mirchi Love' and 'Kool FM' represent holding Company's second and third frequencies respectively. During the previous year ended March 31, 2021, based on the performance of, 'Mirchi Love' and 'Kool FM' and relevant economic and market indicators, the Group has identified indicators of impairment of certain non-financial assets related to these two brands. The Group's evaluation involved comparing the carrying value of these specific assets with their recoverable amount which was determined basis the cash flows expected to be generated by these brands up to the expected dates of cessation of their respective FM Radio Broadcasting license.

The future cash flows consider key assumptions such as volume growth, margins, etc. with due consideration for potential risks given the current economic environment in which the entity operates. The discount rates used were pre tax rates based on Weighted average cost of capital and reflects markets assessment of the risk specific to the asset as well as time value of money. The recoverable amount estimates are based on judgements, estimates, assumptions and market data as on the reporting date and ignore subsequent changes in the economic and market conditions.

The future cash flows are discounted using the post-tax nominal discount rate of 12.00% derived from the post-tax weighted average cost of capital. Accordingly, the Group determined the recoverable amounts for these brands to be ₹ 5,223.11 lakhs and recorded a provision for impairment of ₹ 9,749.42 lakhs for the previous year ended March 31, 2021.

# Significant accounting policies and other explanatory information to the consolidated financial statements

**49.** The relevant details in respect of the subsidiary considered in the consolidated financial statements are summarized below:

### Year ended March 31, 2022

(₹ in lakhs)

| Name of the entity in the group | % of holding | Net Assets i.e total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income (OCI) | | Share in total comprehensive income (OCI) | |
|---|---|---|---|---|---|---|---|---|---|
| | | % | Amount | % | Amount | % | Amount | % | Amount |
| **Parent company** | | | | | | | | | |
| Entertainment Network (India) Limited | 100% | 97.16% | 73,949.08 | 75.89% | (2,747.88) | 188.25% | (40.70) | 76.55% | (2,788.58) |
| **Subsidiary companies** | | | | | | | | | |
| **Indian** | | | | | | | | | |
| Alternate Brand Solutions (India) Limited (ABSIL) | 100% | 1.56% | 1,184.16 | (0.90%) | 32.57 | 0.00% | – | (0.89%) | 32.57 |
| **Foreign** | | | | | | | | | |
| Entertainment Network, INC (EN, INC) | 100% | 0.38% | 289.23 | 17.06% | (617.88) | (39.96%) | 8.64 | 16.73% | (609.24) |
| Global Entertainment Network Limited W.L.L (GENL) | 49% | 0.59% | 445.61 | (1.01%) | 36.74 | (5.97%) | 1.29 | (1.04%) | 38.03 |
| Mirchi Bahrain W.L.L (MBW) | 100% | 0.31% | 238.99 | 8.96% | (324.58) | (42.32%) | 9.15 | 8.66% | (315.43) |
| **Inter Company Elimination** | | | **3,221.89** | | – | | – | | – |
| **Non-controlling interest** | | | | | | | | | |
| **Foreign** | | | | | | | | | |
| GENL | | | 227.26 | | 9.18 | | 0.32 | | 9.51 |

### Year ended March 31, 2021

| Name of the entity in the group | % of holding | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income (OCI) | | Share in total comprehensive income (OCI) | |
|---|---|---|---|---|---|---|---|---|---|
| | | % | Amount | % | Amount | % | Amount | % | Amount |
| **Parent company** | | | | | | | | | |
| Entertainment Network (India) Limited | 100% | 97.81% | 78,471.25 | 98.87% | (10,925.39) | 264.33% | 18.82 | 98.76% | (10,906.57) |
| **Subsidiary companies** | | | | | | | | | |
| **Indian** | | | | | | | | | |
| Alternate Brand Solutions (India) Limited (ABSIL) | 100% | 1.44% | 1,151.59 | (0.28%) | 31.34 | – | – | (0.28%) | 31.34 |
| **Foreign** | | | | | | | | | |
| Entertainment Network, INC (EN, INC) | 100% | 0.26% | 207.69 | 1.20% | (132.36) | (146.35%) | (10.42) | 1.29% | (142.78) |
| Global Entertainment Network Limited W.L.L (GENL) | 49% | 0.49% | 395.89 | 0.22% | (23.90) | (17.98%) | (1.28) | 0.23% | (25.18) |
| **Inter Company Elimination** | – | – | **1,964.08** | – | – | – | – | – | – |
| **Non-controlling interest** | – | – | – | – | – | – | – | – | – |
| **Foreign** | – | – | – | – | – | – | – | – | – |
| GENL | – | – | 201.90 | – | – | – | – | – | – |

**50.** During the year ended March 31, 2022 and previous year ended March 31, 2021, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Significant accounting policies and other explanatory information to the consolidated financial statements

## 51. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

**52.** The Group did not have any transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto currency or virtual currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

- i. Willful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Borrowings obtained on the basis of security of current assets
- iv. Discrepancy in Utilisation of borrowings

## 53. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

During the year, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

**54.** The previous year figures have been reclassified/ regrouped to conform to this year's classification.

Signatures to notes "1" to "54" forming part of the standalone financial statements.

As per our report of even date.

For and on behalf of the Board of Directors of
**Entertainment Network (India) Limited**

**For Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

**Vineet Jain**
*Chairman*
[DIN: 00003962]

**Ravindra Kulkarni**
*Director*
[DIN: 00059367]

**Prashant Panday**
*Managing Director & CEO*
[DIN: 02747925]

**Ashish Gupta**
Partner
Membership No. 504662
Place : Mumbai
Dated : May 6, 2022

**N. Subramanian**
*Executive Director and Group CFO*
[DIN: 03083775]
Place : Mumbai
Dated : May 6, 2022

**Mehul Shah**
*EVP Compliance and Company Secretary*
[Membership No. FCS: 5839]

# NOTES


MIRCHI
It's hot!

FM RADIO | DIGITAL | LIVE

ENTERTAINMENT NETWORK (INDIA) LTD.

Entertainment Network (India) Limited

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