

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Kal Radio Limited

Report on the Financial Statements

I have audited the accompanying standalone financial statements of M/s. Kal Radio Limited ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these standalone financial statements based on my audit.

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

I conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

Opinion

In my opinion and to the best of the information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 26.14, regarding matters of material uncertainty in relation to FM Radio licenses of the company.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (" the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
 - b) in my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

- c) the Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in my opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".
- g) The matters described in the "Emphasis of Matters" paragraph above, in my opinion, may have an adverse effect on the functioning of the Company; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of the information and according to the explanations given to me:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Chennai
Date : May 25, 2016

(V. THIYAGARAJHEN)
Chartered Accountant
Membership # 29295

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of my report of even date

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a phased program of physical verification of fixed assets, which, in my opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with such program, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanation given to me, the Company does not possess any immovable property. Hence, paragraph 3(i)(c) of the order is not applicable.
2. In my opinion and according to the information and explanations given to me, the Company's nature of operations does not require it to hold inventories. Accordingly, Paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the company and hence not commented upon.
4. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
5. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
6. To the best of my knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the services of the Company.

7. a) According to the information and explanations given to me, and on the basis of examination of the books of accounts, the Company has been regular, wherever applicable, in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, Service tax, customs duty, excise duty, Value added tax, cess and any other material statutory dues.

b) According to the information and explanations given to me, no undisputed dues payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, Service tax, customs duty, excise duty, Value added tax, cess and other material statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.
8. As per the information and explanations given by the management, I am of the opinion that the Company has not defaulted in repayment of dues to Banks /financial institutions/debenture holders during the year.
9. In my opinion, the Company has not obtained any term loans.. During the year, the company has not raised money by way of initial public offer or further public offer. Accordingly, paragraph 3(ix) of the order is not applicable.
10. According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the year.
11. In my opinion, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
12. In my opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
13. In my opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act 2013 where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to me, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause xiv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

15. In my opinion and according to the information and explanations given to me, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

16. In my opinion and according to the information and explanations given to me, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

Place : Chennai
Date : May 25, 2016

(V. THIYAGARAJHEN)
Chartered Accountant
Membership # 29295

"ANNEXURE B" TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of M/s.Kal Radio Limited ("the Company") as of March 31, 2016 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on

- i. Existing policies and procedures adopted by the company for ensuring orderly and efficient conduct of business.
- ii. Continuous adherence to Company's policies.
- iii. Existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made & Cash and Bank Balances.
- iv. Existing system to prevent and detect fraud & errors.
- v. Accuracy and completeness of Company's accounting records; and
- vi. Existing capacity to prepare timely and reliable financial information.

Place : Chennai
Date : May 25, 2016

(V. THIYAGARAJHEN)
Chartered Accountant
Membership # 29295

KAL RADIO LIMITED

Balance Sheet as at March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

	Notes	31-Mar-16	31-Mar-15
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,769,350,000	1,769,350,000
Reserves and surplus	4	195,564,481	(24,483,808)
		1,964,914,481	1,744,866,192
Non-current liabilities			
Deferred tax liability (net)		-	5,317,188
Other long-term liabilities	5	230,400	230,400
Long term Provisions	6	-	4,679,985
		230,400	10,227,573
Current liabilities			
Trade payables	7	180,040,896	145,076,871
Short term Provisions	8	8,974,594	-
Other current liabilities	7	3,443,111	4,399,198
		192,458,601	149,476,069
TOTAL		2,157,603,482	1,904,569,834
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	71,872,011	71,948,365
Intangible assets	10	132,835,923	231,547,655
Capital work-in-progress		1,662,651	119,511
Deferred tax assets (net)		12,370,426	-
Long-term loans and advances	11	68,361,879	124,082,391
Other non-current assets	12.0	89,936,956	78,423,172
		377,039,846	506,121,094
Current assets			
Current investments	13	131,147,952	338,999,421
Trade receivables	14	431,998,334	452,307,713
Cash and bank balances	15	1,170,606,622	576,555,329
Short-term loans and advances	16	41,896,501	25,280,459
Other current assets	17	4,914,227	5,305,818
		1,780,563,636	1,398,448,740
Total		2,157,603,482	1,904,569,834
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.	26		

As per our report of even date

For and on behalf of the board of directors of Kal Radio Limited

V. THIYAGARAJHEN
Chartered Accountant
Membership No.: 29295

K.SHANMUGAM
Managing Director

J.RAVINDRAN
Director

UMA MADHU
Company Secretary

Place : Chennai
Date : May 25, 2016

KAL RADIO LIMITED

Statement of profit and loss for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

	Notes	31-Mar-16	31-Mar-15
Income			
Revenues from services	18	799,347,692	741,724,138
Other income	19	93,070,760	68,755,111
Total revenue (I)		892,418,452	810,479,249
Expenses			
Costs of Revenues	20	172,312,883	167,305,094
Employee benefits expense	21	145,873,756	133,490,940
Finance costs	22	333,035	366,981
Depreciation and amortization expense	23	116,769,007	143,324,554
Other expenses	24	105,425,307	93,637,531
Advertisement and marketing expenses	25	9,265,140	340,272
Total (II)		549,979,128	538,465,372
Profit/(loss) before tax		342,439,324	272,013,877
Tax expenses			
Current tax		80,200,000	54,100,000
Minimum Alternative Tax Entitlement Credit		59,878,649	(47,365,422)
Deferred tax		(17,687,614)	5,317,188
Total tax expense		122,391,035	12,051,766
Profit after tax		220,048,289	259,962,111
Basic and diluted earnings per share			
Basic		1.77	2.10
Diluted		1.70	2.01
Nominal value per share		10	10
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.	26		

As per our report of even date

For and on behalf of the board of directors of Kal Radio Limited

V. THIYAGARAJHEN
Chartered Accountant
Membership No.: 29295

K.SHANMUGAM
Managing Director

J.RAVINDRAN
Director

UMA MADHU
Company Secretary

Place : Chennai
Date : May 25, 2016

KAL RADIO LIMITED
Cash Flow Statement for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
A. Cash flow from operating activities		342,439,324		272,013,877
Net Profit / (Loss) before extraordinary items and tax				
<u>Adjustments for:</u>				
Depreciation and amortisation	116,769,007		143,324,554	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets	458,292		594,916	
Expense on employee stock option scheme				
Finance costs	333,035		366,981	
Interest income	(70,105,572)		(45,317,077)	
Dividend income	(6,242,525)		(17,162,810)	
Net (gain) / loss on sale of investments	-		-	
Rental income from investment properties				
Rental income from operating leases	(529,920)		(529,920)	
Adjustment for Tax provision and MAT Entitlement Credit				
Share of profit from partnership firms				
Share of profit from AOPs				
Share of profit from LLPs				
Liabilities / provisions no longer required written back	(8,263,115)		-	
Adjustments to the carrying amount of investments				
Provision for losses of subsidiary companies				
Provision for doubtful trade and other receivables, loans and advances	867,680		1,178,242	
Provision for estimated loss on derivatives				
Provision for warranty				
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges (specify)	-		-	
Net unrealised exchange (gain) / loss				
		33,286,882		82,454,885
Operating profit / (loss) before working capital changes		375,726,206		354,468,762
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-		-	
Trade receivables	27,704,813		(88,057,970)	
Short-term loans and advances	(16,616,043)		(4,392,416)	
Long-term loans and advances	55,720,512		(48,571,475)	
Other current assets	391,591		(4,188,193)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	34,964,025		28,829,658	
Other current liabilities	(956,087)		(96,334)	
Other long-term liabilities	-		-	
Short-term provisions	8,974,594		(19,438,273)	
Adjustment for Tax provision and MAT Entitlement Credit	(140,078,649)		(6,734,578)	
Long-term provisions	(4,679,985)		4,508,782	
		(34,575,228)		(138,140,799)
Cash flow from extraordinary items		341,150,978		216,327,963
Cash generated from operations		341,150,978		216,327,963
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		341,150,978		216,327,963

KAL RADIO LIMITED
Cash Flow Statement for the year ended March 31, 2016 (Contd.)

(All Amounts are in Indian Rupees unless otherwise specified)

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(20,270,934)		(2,662,918)	
Proceeds from sale of fixed assets	288,581.00		163,881	
Inter-corporate deposits (net)				
Non - current bank balances	(11,513,784)		(73,070,247)	
Bank balances not considered as Cash and cash equivalents				
- Placed	-		-	
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchase net of proceeds	207,851,469		(23,144,953)	
Purchase of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Loans given				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Loans realised				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	70,105,572		45,317,077	
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	6,242,525		17,162,810	
Rental income from investment properties				
Rental income from operating leases	529,920		529,920	
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
		253,233,348		(35,704,430)
Cash flow from extraordinary items		-		-
		253,233,348		(35,704,430)
Net cash flow from / (used in) investing activities (B)		253,233,348		(35,704,430)

KAL RADIO LIMITED

Cash Flow Statement for the year ended 31 March, 2016 (Contd.)

(All Amounts are in Indian Rupees unless otherwise specified)

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
C. Cash flow from financing activities				
Proceeds from issue of equity shares				
Proceeds from issue of preference shares				
Redemption / buy back of preference / equity shares				
Share application money received / (refunded)				
Proceeds from long-term borrowings				
Repayment of long-term borrowings	-		-	
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost	(333,035)		(366,981)	
Dividends paid	-		-	
Tax on dividend	-		-	
Cash flow from extraordinary items		(333,035)		(366,981)
Net cash flow from / (used in) financing activities (C)		(333,035)		(366,981)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		594,051,292		180,256,553
Cash and cash equivalents at the beginning of the year		576,555,329		396,298,777
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents at the end of the year		1,170,606,621		576,555,329
Reconciliation of Cash & Cash equivalents with the Balance Sheet				
Cash and cash equivalents as per Balance Sheet (Refer Note 15)		1,170,606,622		576,555,329
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)		1,119,268,612		529,578,974
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included in Note 15		51,338,010		46,976,355
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) (Refer Note (ii) to Note 16 Current investments)		0		0
Cash and cash equivalents at the end of the year *		51,338,010		46,976,355
* Comprises:				
(a) Cash on hand		223,307		152,250
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(i) In current accounts		51,114,703		46,824,106
(ii) In EEFC accounts		-		-
(iii) In deposit accounts with original maturity of less than 3 months		-		-
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		-		-
(d) Others (specify nature)		-		-
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		-		-
		51,338,010		46,976,355

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

V.THIYAGARAJHEN
Chartered Accountant
Membership # 29295

K. SHANMUGAM
Managing Director

J.RAVINDRAN
Director

Place : Chennai
Date : May 25, 2016

UMA MADHU
Company Secretary

1. CORPORATE INFORMATION

Kal Radio Limited ('the Company') is engaged in producing and broadcasting radio software programming in Indian regional languages. The Company operates all the 18 FM stations for which the license has been procured.

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

These statements have been prepared under historical cost convention on accrual basis and comply with the Accounting standards referred to in Section 133 of the Companies Act, 2013.

2. Fixed Assets and Depreciation

➤ **Tangible Assets**

- Tangible Fixed Assets are stated at cost less accumulated depreciation.
- Depreciation on tangible Fixed Assets other than leasehold improvements is provided on written down value method at the rates and in the manner specified in Schedule II of the Act. Tangible Assets individually costing less than Rs. 5,000 are depreciated @ 100% in the year of purchase.
- Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.
- BECIL infrastructure assets included in Tangible Fixed Assets (Note 9) represents aggregate value of the company's share of the cost of the assets, jointly owned, along with other license holders, at various stations. These assets are jointly controlled assets and the company's share of cost of these assets has been determined corresponding to the number of license holders in each station.

➤ **Intangible Assets**

1. One Time Entry Fees (OTEF) paid by the company for acquiring new licenses is capitalized as an asset, in respect of the stations that have become operational. OTEF is amortized over a period of ten years, being the period of license, the ten year period starting (i) from the date of operationalisation of the station or (ii) after the expiry of one year from the date of signing the agreement, whichever is earlier.
2. On Air License cost is capitalized as an asset and is amortized over a period of five years from the month in which the license is operative.
3. Costs incurred towards the purchase of computer software are depreciated using straight line method over a period of three years.

3. Impairment

- The carrying amounts of assets are reviewed at each balance sheet date; if there is any indication of impairment based on internal / external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset.

4. Employee Benefit Plans

- Employee benefit plans comprise both defined benefit and defined contribution plans.

The company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ('LIC') based upon actuarial valuation.

Provident fund is a defined contribution plan. Each eligible employee and the company make equal contributions at a percentage of the basic salary specified under the Employee's Provident Fund's and Miscellaneous Provisions Act, 1952. The company has no further obligations under the plan beyond its periodic contributions.

5. Current Taxation

- Provision for income tax is determined at the current tax rates based on assessable income or on the basis of Section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax) whichever is higher.

6. Deferred Taxation

- Deferred tax is recognized, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more periods.

7. Investments

- Current Investments are carried at lower of Cost or quoted/fair value. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary.

8. Revenue Recognition

- Revenue from Radio broadcasting is recognized on accrual basis on the airing of client's commercials.
- All expenses, not related / attributable to the acquisition of Fixed Assets, and incurred during the year are recognized as expense during the year.

9. License Fees

- As per the new frequency module (FM) broadcasting policy, effective April 1, 2005, license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fees (ROTEF) for the concerned city, whichever is higher.

10. Foreign Currency Transactions

- Realized gains and losses on foreign exchange transactions are recognized in the Profit & Loss account. Current Assets and current liabilities denominated in foreign currency outstanding at the year end are translated at the year end exchange rates and the resultant exchange differences are recognized in the Profit & Loss account. Exchange Gain / Loss in respect of liabilities incurred for the acquisition of Fixed Assets are recognized in the Profit & Loss account.

11. Preliminary Expenditure

- Preliminary expenses are written off over a period of five years commencing from the year in which the company commences operations.

12. Provisions and contingent Liabilities

- A provision is recognized 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 not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date.
- These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

13. Segment Reporting

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

KAL RADIO LIMITED
Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

3 Share capital

	31-Mar-16	31-Mar-15
Authorized shares		
155,000,000 Equity Shares of Rs.10/- each (Previous Year - 125,000,000 Equity Shares of Rs.10/- each)	1,550,000,000	1,250,000,000
75,000,000 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- each (Previous Year - 75,000,000, 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- each)	750,000,000	750,000,000
	2,300,000,000	2,000,000,000
Issued, subscribed and fully paid-up shares		
124,055,000 Equity Shares of Rs.10/- each (Previous Year - 124,055,000 Equity Shares of Rs.10/- each)	1,240,550,000	1,240,550,000
52,880,000 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- each fully paid (Previous Year - 52,880,000 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- each fully paid)	528,800,000	528,800,000
	1,769,350,000	1,769,350,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	31-Mar-16		31-Mar-15	
	No.	Amount	No.	Amount
At the beginning of the period	124,055,000	1,240,550,000	124,055,000	1,240,550,000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	124,055,000	1,240,550,000	124,055,000	1,240,550,000

Non-Cumulative Compulsorily Convertible Preference Shares

	31-Mar-16		31-Mar-15	
	No.	Amount	No.	Amount
At the beginning of the period	52,880,000	528,800,000	52,880,000	528,800,000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	52,880,000	528,800,000	52,880,000	528,800,000

b. Terms/rights attached to equity shares
(i) Equity Shares:

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL. (31 March 2015: Rs. NIL).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

(ii) Preference Shares

The company has only one class of Preference shares having a face value of Rs.10 per share. The preference shares are non cumulative and are convertible to equity shares at any time within a period of 18 years from the date of issue at the option of the company.

The preference shares are convertible at the ratio of one equity share for every ten preference shares held.

During the year ended 31 March 2016, the amount of per share dividend paid to preference shareholders was Rs.NIL.

(31 March 2015: Rs. NIL).

Upon conversion to equity shares, the preference shares ranks pari pasu with the existing equity shares of the company in all respects

c. Details of shareholders holding more than 5% shares in the company

	31-Mar-16		31-Mar-15	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs.10 each fully paid Sun TV Network Limited	121,305,000	97.78%	121,305,000	97.78%
Non-Cumulative Compulsorily Convertible Preference Shares Sun TV Network Limited	52,880,000	100%	52,880,000	100%

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

4 Reserves and Surplus

	31-Mar-16	31-Mar-15
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(24,483,808)	(284,445,919)
Profit/(loss) for the year	220,048,289	259,962,111
Net surplus/(deficit) in the Statement of Profit and Loss	195,564,481	(24,483,808)
Total Reserves and Surplus	195,564,481	(24,483,808)

5 Other Long Term Liabilities

	31-Mar-16	31-Mar-15
Trade payables	-	-
Others (Rent Deposit)	230,400	230,400
	230,400	230,400

6 Long Term Provisions

	31-Mar-16	31-Mar-15
Provision for employee benefits		
Provision for gratuity	-	4,679,985
	-	4,679,985

7 Trade Payables and Other current liabilities

	31-Mar-16	31-Mar-15
Trade payables	180,040,896	145,076,871
	180,040,896	145,076,871
Other Current liabilities		
Statutory Payables	3,443,111	4,399,198
	3,443,111	4,399,198

8 Short Term Provisions

	31-Mar-16	31-Mar-15
Provision for Taxation (Net of Advance Tax)	8,974,594	-
	8,974,594	-

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

9 Tangible assets

	Plant and Machinery	Furniture and Fittings	Leasehold Improvements	Motor Vehicles	Total
Cost or valuation					
At 1 April 2014	391,394,132	3,098,916	73,434,311	12,016,600	479,943,959
Additions	2,377,561	179,765	-	59,717	2,617,043
Disposals	(2,335,385)	(119,891)	-	-	(2,455,276)
At 31 March 2015	391,436,308	3,158,790	73,434,311	12,076,317	480,105,726
Additions	9,792,334	316,191	4,566,770	3,500,000	18,175,295
Disposals	(2,320,679)	(263,039)	-	-	(2,583,718)
At 31 March 2016	398,907,963	3,211,942	78,001,081	15,576,317	495,697,303
Depreciation					
At 1 April 2014	281,129,383	2,016,371	72,590,471	9,951,668	365,687,893
Charge for the year	41,263,850	539,617	843,840	1,518,640	44,165,947
Disposals	(1,611,004)	(85,475)	-	-	(1,696,479)
At 31 March 2015	320,782,229	2,470,513	73,434,311	11,470,308	408,157,361
Charge for the year	14,457,759	187,351	1,522,257	1,337,409	17,504,776
Disposals	(1,624,921)	(211,924)	-	-	(1,836,845)
At 31 March 2016	333,615,067	2,445,940	74,956,568	12,807,717	423,825,292
Net Block					
At 31 March 2015	70,654,079	688,277	0	606,009	71,948,365
At 31 March 2016	65,292,896	766,002	3,044,513	2,768,600	71,872,011

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016
(All Amounts are in Indian Rupees unless otherwise specified)

10 Intangible assets

	Software	Licenses	Total
Gross block			
At 1 April 2014	22,998,021	999,133,033	1,022,131,054
Purchase	-	-	-
Disposals	-	-	-
At 31 March 2015	22,998,021	999,133,033	1,022,131,054
Purchase	552,500	-	552,500
Disposals	-	-	-
At 31 March 2016	23,550,521	999,133,033	1,022,683,554
Amortization			
At 1 April 2014	22,998,021	668,426,771	691,424,792
Charge for the year	-	99,158,607	99,158,607
Adjustment for disposals	-	-	-
At 31 March 2015	22,998,021	767,585,378	790,583,399
Charge for the year	105,625	99,158,607	99,264,232
Adjustment for disposals	-	-	-
At 31 March 2016	23,103,646	866,743,985	889,847,631
Net block			
At 31 March 2015	0	231,547,655	231,547,655
At 31 March 2016	446,875	132,389,048	132,835,923

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

11 Long Term Loans and advances

	31-Mar-16	31-Mar-15
Capital advances		
Secured, considered good	2,731,766	-
Unsecured, considered good	-	-
Doubtful	-	-
	2,731,766	-
Provision for doubtful advances	-	-
(A)	2,731,766	-
Security deposit		
Rental and other deposits		
Unsecured, considered good	15,006,006	15,962,540
Doubtful	-	-
	15,006,006	15,962,540
Deposits with Government agencies		
Unsecured, considered good	17,744,696	15,841,486
Doubtful	-	-
	17,744,696	15,841,486
Provision for doubtful security deposit	-	-
(B)	32,750,702	31,804,026
Advances recoverable in cash or kind		
Unsecured considered good	1,667,784	5,847,751
Doubtful	-	-
	1,667,784	5,847,751
Provision for doubtful advances	-	-
(C)	1,667,784	5,847,751
Other loans and advances		
Advance income-tax (net of provision for taxation)	20,373,868	15,714,206
Minimum Alternative Tax Entitlement Credit	10,837,759	70,716,408
Prepaid expenses	-	-
Balances with statutory/government authorities	-	-
(D)	31,211,627	86,430,614
Total (A+ B + C +D)	68,361,879	124,082,391
Security deposit, Rental and other deposits include		
Dues from companies in which the company's director is a director or a member		
- Kal Publications Private Limited	427,500	427,500
- Sun TV Network Limited	40,000	265,000

12 Other assets

	31-Mar-16	31-Mar-15
Interest accrued		
- on fixed deposits	-	-
Non-current bank balances (Refer Note. 15)	89,936,956	78,423,172
	89,936,956	78,423,172

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

16 Short Term Loans and advances

	31-Mar-16	31-Mar-15
Loan and advances to related parties		
Unsecured, considered good	15,035,210	1,553,810
(A)	15,035,210	1,553,810
Advances recoverable in cash or kind		
Unsecured considered good	7,349,161	852,537
Doubtful	-	-
Provision for doubtful advances	7,349,161	852,537
(B)	-	-
Other loans and advances		
Advance income-tax (net of provision for taxation)	-	4,710,762
Minimum Alternative Tax Entitlement Credit	-	-
Prepaid expenses	19,512,130	18,163,350
(C)	19,512,130	22,874,112
Total (A+ B + C)	41,896,501	25,280,459
Loans and Advances include		
Dues from Company in which the Company's director is a director or member	-	-

17 Other assets

	31-Mar-16	31-Mar-15
Interest accrued		
- on fixed deposits	4,914,227	5,305,818
	4,914,227	5,305,818

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

18 Revenue from Services

	31-Mar-16	31-Mar-15
Advertising income	799,347,692	741,724,138
Total of Revenue from Services	799,347,692	741,724,138

19 Other income

	31-Mar-16	31-Mar-15
Interest income on		
- on bank deposits	70,105,572	45,317,077
Dividend income on investments	6,242,525	17,162,810
Net gain on sale of current investments	5,472,409	5,212,271
Credits no longer required	1,938,841	213,032
Provision no longer required	8,263,115	-
Other non-operating income	1,048,298	849,920
Total of Other Income	93,070,760	68,755,111

KAL RADIO LIMITED**Notes to financial statements for the year ended March 31, 2016**

(All Amounts are in Indian Rupees unless otherwise specified)

20 Cost of Revenues

	31-Mar-16	31-Mar-15
Program production expenses	95,406,110	95,661,582
Licenses	76,876,276	71,628,977
Others	30,497	14,535
Total of Cost of Revenues	172,312,883	167,305,094

21 Employee Benefit Expense

	31-Mar-16	31-Mar-15
Salaries and allowances	130,514,480	108,751,577
Gratuity expense	(3,255,442)	7,114,091
Contributions to provident fund and employee state insurance plans	10,719,546	9,689,943
Staff welfare	1,895,160	1,935,317
Directors' remuneration		
- Salary	5,861,160	5,861,160
- Ex-gratia / Bonus	138,852	138,852
Total of Employee Benefit Expense	145,873,756	133,490,940

22 Finance costs

	31-Mar-16	31-Mar-15
Interest		
- on loans against deposits	-	-
- others	13,350	6,166
Bank charges	319,685	360,815
Total of Finance Costs	333,035	366,981

23 Depreciation and amortization expense

	31-Mar-16	31-Mar-15
Depreciation of tangible assets	17,504,776	44,165,947
Amortization of intangible assets	99,264,232	99,158,607
Total of Depreciation and amortization expense	116,769,007	143,324,554

KAL RADIO LIMITED

Notes to financial statements for the year ended March 31, 2016

(All Amounts are in Indian Rupees unless otherwise specified)

24 Other expenses

	31-Mar-16	31-Mar-15
Legal and professional fees	6,157,307	3,189,299
Travel and conveyance	3,075,956	3,058,562
Rent	14,823,657	14,573,971
Electricity expense	37,177,841	35,419,969
Power and fuel	4,605,698	6,270,768
Repairs and maintenance		
- Plant and machinery	5,314,019	5,262,310
- Others	4,903,572	6,188,561
Communication	6,231,472	6,694,611
Bad debts written off	7,811,965	-
Utilities	10,256,616	10,022,892
Insurance	531,841	496,855
Provision for doubtful debts	867,680	1,178,242
Rates and taxes	2,902,437	291,813
Loss on sale of assets	458,292	594,916
Miscellaneous expenses	306,955	394,762
Total of Other expenses	105,425,307	93,637,531
Payment to auditor (included under Legal & professional Fees)		
As auditor:		
Audit fee	100,000	100,000
Limited review	-	-
Service Tax	-	-
In other capacity:		
Other services (Tax Representation)	-	-
Other services (Certification)	360,000	100,000
Reimbursement of expenses	-	-
	460,000	200,000

25 Selling expenses

	31-Mar-16	31-Mar-15
Advertisement and marketing expenses	9,265,140	340,272
Total of Selling expenses	9,265,140	340,272

Note 26 - NOTES FORMING PART OF FINANCIAL STATEMENTS**1) Contingent Liabilities**

Guarantees issued by Banks on behalf of the company ` 2,14,65,580/- (Previous Year ` 2,14,65,580/-)

2) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (Net of Advances) - NIL (Previous year NIL/-)

3) Employee Benefits**a) Defined Contribution Plans:**

During the year, the company has recognized the following amounts in the Profit and Loss account, which are included in (Employee Benefit Expense in Note 20).

	31.03.2016 (in Rs.)	31.03.2015 (in Rs.)
Contribution to Provident Fund	98,37,606	84,43,031

b) Defined Benefit Plans:

Description of Benefits Plan	Funded Gratuity 31.03.2016 (in Rs.)	Funded Gratuity 31.03.2015 (in Rs.)
A) Reconciliation of Opening and closing balances of the present value of the defined benefit plan obligation		
Present value of obligation as at 01/04/2015	67,49,563	51,59,719
Current service cost	14,78,844	12,62,243
Interest cost	5,39,965	4,12,778
Benefits Paid	(10,09,508)	(7,45,737)
Actuarial gain/ (loss) on obligations	13,22,328	62,62,999
Present value of obligations as at 31/03/2015	90,81,197	1,23,52,002
B) Reconciliation of opening and closing balances of the fair value of plan assets:		
Fair value of plan assets as at 01/04/2015	76,72,017	49,88,516

KAL RADIO LIMITEDNOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016

Expected return on plan assets	80,7885	6,03,332
Contributions made	32,78,582	28,25,906
Benefits paid	(10,09,503)	(7,45,737)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of plan assets as at 31/03/2015	1,07,48,981	76,72,017
C) Table showing Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	76,72,017	49,88,516
Actual return on plan assets	8,07,885	6,03,332
Contributions	32,78,582	28,25,906
Benefits Paid	(10,09,503)	(7,45,737)
Fair value of plan assets at end of the year	10,748,981	76,72,017
Funded status - Asset / (Liability)	(16,67,784)	(46,79,984)
Excess of actual over estimated return on plan assets	NIL	NIL
D) Actuarial Gain/ (Loss) recognized		
Actuarial gain on obligations	(13,22,328)	62,62,999
Actuarial gain on plan assets	NIL	NIL
Total gain for the year	13,22,328	62,62,999
Actuarial gain recognized in the year	13,22,328	62,62,999
E) Reconciliation of present value of Defined benefit plan obligation and fair value of plan assets to the assets and liabilities recognized in the Balance sheet		
Present value of obligation as at 31/03/2016	90,81,197	1,23,52,002
Fair value of plan assets as at 31/03/2016		

KAL RADIO LIMITEDNOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016

Funded status - Asset / (Liability)	1,07,48,981	76,72,017
Net Asset recognized in Balance sheet (included under Long Term Loans And Advances Note 11)(P.Y included under Long Term Provisions Note 6)	16,67,784	(46,79,984)
F) Expenses recognized in the Profit & Loss account		
Current service cost	14,78,844	12,62,243
Interest cost	5,39,965	4,12,778
Expected return on plan assets	(8,07,885)	(6,03,332)
Net actuarial gain/ (loss) recognized	13,22,328	(62,62,999)
Expenses recognized in Profit & Loss account (included in 'Employee Benefit Expense' in Note 20)	25,33,252	73,34,688
G) Actual return on plan assets		
Expected return on plan assets	(8,07,882)	(6,03,332)
Actuarial gain/ (loss) on plan assets	-	-
Actual return on plan assets	(8,07,885)	(6,03,332)
H) Opening Net Asset	9,22,454	(1,71,203)
Contributions	32,78,582	28,25,906
Expenses	25,33,252	73,34,688
Closing Net Asset / (Liability)	16,67,784	(46,79,984)
I) Actuarial assumptions*		
Discount rate	8%	8%
Expected rate of return on plan assets	8 %	8%

KAL RADIO LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016**

Rate of increase in compensation levels	5%	5%
Attrition Rate	1-3%	1-3%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, and other relevant factors like supply and demand in the employment market.

4) CIF Value of Imports

	2015-2016 (in Rs.)	2014-2015 (in Rs.)
Capital goods	33,89,923	-----
Total	33,89,923	-----

5) Expenditure in Foreign Currency

Professional Fees	4,38,180	-----
Total	4,38,180	-----

6) Dues to Small- Scale Industrial undertakings

- The Company has no outstanding dues to small-scale industrial undertakings as on 31st March 2016 and 31st March 2015.

7) Dues to Micro, Small and Medium Enterprises

- Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2016.

8) Leases

(a) The company has leased premises under operating leases. The lease payments to be made in future in respect of the leases are as follows:

	(In Rs.)	
	31.03.2016	31.03.2015
Upto 1 year	13,048,670	1,16,59,646
> 1 year but not later than 5 years	35,028,063	3,96,61,825
> 5 years	48,076,733	2,17,22,870

KAL RADIO LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016**

(b) Lease payments recognized in Profit & Loss Account is 1,34,90,722 /- (included in Rent - Other Expenses - Note 23) (Prev. Yr. ` 1,32,50,111/-)

9) Related Party Disclosures**➤ Key Management Personnel (KMP)**

a) Mr. K. Shanmugam

➤ Individual(s) having significant influence and/ or relative of such individual over the reporting enterprise (ISI)

Mr. Kalanithi Maran

➤ Holding Company (HC)

a) Sun TV Network Limited

➤ Enterprise in which "individual having significant influence and/ or relative of such individual over the reporting enterprise" has significant influence (ENT)

a) Udaya FM Private Limited

b) Sun Direct TV Private Limited

c) Kal Publications Private Limited

➤ Related Party Transactions

Figures in brackets represent corresponding previous year figures.

Group Head	Nature of Transactions	Related Party	Relationship	Revenue items - recognized during the period In Rs.	Balance Sheet items - O/s as at 31.03.2016 In Rs.
Loans & Advances	Rent Deposit	Sun TV Network Limited	HC	-	40,000 (2,65,000)
Loans & Advances	Rent Deposit	Kal Publications P Ltd	ENT	-	427,500 (4,27,500)
Loans & Advances	Other Advances	Udaya FM Private Limited	ENT	-	4,31,725 (4,83,341)

KAL RADIO LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016**

Loans & Advances	Other Advances	Sun TV Network Limited	HC	-	Nil (10,37,251)
Other Current Liabilities	Trade Payables	Sun TV Network Limited	HC		100,000 (Nil)
Trade Receivables	Advertisement revenue receivable	Kal Publications P Ltd	ENT	-	6,99,82,237 (6,95,98,073)
Loans & Advances	Other Advances	Kal Publications P Ltd	ENT		1,45,44,090 (Nil)
Trade Receivables	Advertisement revenue receivable	Sun Direct TV Private Limited	ENT	-	30,76,727 (30,86,315)
Other Long Term Liabilities	Rent deposit payable	Sun Direct TV Private Limited	ENT	-	2,30,400 (2,30,400)
Other Current Liabilities	Rent Payable	Sun TV Network Limited	HC	-	3,54,089 (3,74,507)
Other Current Liabilities	Electricity Payable	Sun TV Network Limited	HC	-	1,58,668 (4,05,222)
Other Current Liabilities	Staff Welfare Payable	Sun TV Network Limited	HC	-	57,449 (1,38,366)
Other Current Liabilities	Rent Payable	Kal Publications P Ltd	ENT	-	80,988 (79,329)
Other Current Liabilities	Electricity charges Payable	Kal Publications P Ltd	ENT	-	2,77,935 (2,32,512)
Other Current Liabilities	Staff Welfare Expenses Payable	Kal Publications P Ltd	ENT	-	9,445 (Nil)
Loans And Advances	Rent & Office Maintenance charges Receivables	Sun Direct TV Private Limited	ENT	-	59,395 (49,618)
Other Expenses	Rent Expense	Sun TV Network Limited	HC	41,68,011 (42,05,580)	-
Other Expenses	Rent Expense	Kal Publications P Ltd	ENT	9,31,640 (9,30,000)	-

KAL RADIO LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016**

Other Expenses	Electricity Charges	Kal Publications P Ltd	ENT	32,98,625 (24,03,820)	-
Other Expenses	Electricity Charges	Sun TV Network Limited	HC	18,87,160 (13,78,128)	-
Employee Benefit Expenses	Staff Welfare Expense	Kal Publications P Ltd	ENT	1,11,075 (1,39,545)	-
Employee Benefit Expenses	Staff Welfare Expenses	Sun TV Network Limited	HC	6,73,507 (5,88,780)	-
Program Production Expenses	Advertisement & Publicity	Sun TV Network Limited	HC	1,50,00,000 (1,50,00,000)	-
Program Production Expenses	Business Promotion Expenses	Kal Publications P Ltd	ENT	NIL (2,07,876)	-
Advertisement Expenses	Advertisement & Publicity	Kal Publications P Ltd	ENT	50,00,000 (NIL)	-
Program Production Expenses	Advertisement & Promotion Expenses	Kal Publications P Ltd	ENT	1,83,090 (NIL)	-
Employees Benefit Expense	Directors' Remuneration	Mr. K. Shanmugam	KMP	60,00,012 (60,00,012)	-
Revenue from Services	Advertisement Revenue	Sun Direct TV Private Limited	ENT	Nil (17,557)	-
Revenue from Services	Advertisement Revenue	Kal Publications P Ltd	ENT	2,37,627 (3,92,387)	-
Other Income	Rental Income	Sun Direct TV Private Limited	ENT	6,03,761 (5,29,920)	-

KAL RADIO LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016****10) DEFERRED TAX ASSET / (LIABILITY) (Rs.)**

<i>Particulars</i>	<i>31.03.2016</i>	<i>31.03.2015</i>
Balance at beginning of year	(53,17,188)	-
Timing Difference in Depreciable Asset	2,25,57,528	(1,40,66,915)
40a disallowance	(1,95,000)	42,51,000
Expenses allowable against taxable income in future years	(46,74,914)	44,98,727
For the year	1,76,87,614	(53,17,188)
Balance at end of year	1,23,70,426	(53,17,188)

11) Foreign currency exposure

The company does not use any derivative instruments to hedge its foreign currency transactions. Balance outstanding as at the balance sheet date, in respect of foreign currency transactions which are not hedged, is NIL. (Previous Year : NIL)

12) Earnings per share

		<i>For the year ended</i>	
		<i>31.03.2016</i>	<i>31.03.2015</i>
		<i>(in Rs.)</i>	<i>(in Rs.)</i>
Profit / (Loss) after tax	(a)	22,00,48,289	25,99,62,112
Basic			
Weighted average number of equity shares of Rs.10/- each outstanding during the year	(b)	12,40,55,000	12,40,55,000
Dilution			
Effect of potential equity shares on Non cumulative Compulsorily Convertible Preference shares		52,88,000	52,88,000
Weighted average number of equity shares of Rs.10/- each outstanding during the year	(c)	12,93,43,000	12,93,43,000
Earnings per Share			
Basic	- (a)/(b)	1.77	2.10
Diluted	- (a)/(c)	1.70	2.01

13) Corporate Social Responsibility

(All amounts are in Indian Rupees unless otherwise specified)

Gross amount required to be spent by the company during the year Rs.39,68,161

Amount spent during the year Rs.25,07,220

KAL RADIO LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31.03.2016

14) The Ministry of Information and Broadcasting of the Government of India ('MIB') has, during the year, invited applications for the e-Auction of Private FM Radio Phase - III. The Company has filed applications to migrate their existing FM Radio licenses (expiring on various dates in FY 2016-17 and thereafter) from Phase II to the Phase III licensing regime ("FM License Migration Applications"). With respect to the Company, (a) An interim order of the Madras High Court had permitted the Company to participate in the e-auctions in Phase III. (b) With reference to migration from Phase II to Phase III stated above, the company has been permitted to continue existing operations by way of interim orders by the Madras High court. While the matter continue to be sub-judice at the Madras High Court, Management is confident of receiving the approvals for the Company's FM License Migration Applications, which is essential for the continued operations of these FM Radio stations. Accordingly, the management is of the view that no accounting adjustments are considered necessary in these financial statements in this regard.

15) Previous year's figures have been regrouped and recast wherever necessary to conform to the current year's classifications.

For and on behalf of the Board of Directors

In terms of our report of even date

K.SHANMUGAM
Managing Director

J.RAVINDRAN
Director

V.THIYAGARAJHEN
Chartered Accountant
Membership No. 29295

UMA MADHU
Company Secretary

PLACE : CHENNAI
DATE : May 25, 2016