



MALAYALAM COMMUNICATIONS LTD

20th ANNUAL REPORT 2019 - 2020

**ഇരുപതാം വാർഷിക റിപ്പോർട്ട്
2019 - 2020 സാമ്പത്തിക വർഷം**



KAIRALI



KAIRALI
NEWS



WPC



KAIRALI
ARABIA

മലയാളം കമ്മ്യൂണിക്കേഷൻസ് ലിമിറ്റഡ്



CONTENTS

1. Board of Directors
2. Chairman’s address to Shareholders
3. Notice for Annual General Meeting
4. Director’s Report
5. Auditor’s Report
6. Balance Sheet
7. Profit & Loss Account & Schedules to the Accounts

BOARD OF DIRECTORS

Shri. P I Mohammed Kutty alias Mammootty	Chairman
Shri. John Brittas	Managing Director
Shri. C K Karunakaran	
Shri. M M Monaye	
Shri. V K Mohammed Ashraf	
Shri. T R Ajayan	
Shri. A Vijayaraghavan	
Shri. A K Moosa	

SENIOR EXECUTIVES- CORPORATE OFFICE

Shri. M Venkitaraman	- Senior Director (Finance & Technical)
Shri. S Rajiv	- Senior General Manager (Commercial Co-ordination)
Shri. N P Chandrasekharan	- Director (News & CA)
Shri. E M Ashraf	- Director (Middle East- News)
Shri. S Ramesh	- General Manager (Middle East)
Shri. Pratap Chander	- General Manager (Marketing)
Shri. Unni Cherian	- Director (Programmes)
Shri. M Rajeev	- Executive Editor
Shri. Mohammed Arif C C	- General Manager (P&A)
Shri. Biju Radhakrishnan	- Senior General Manager (Technical)
Shri. A J Peter	- Director (Production)
Shri. R S Rajesh	- Asst. General Manager (Programmes)
Shri. K R Suresh	- General Manager (Systems)

COMPANY SECRETARY

Mr. K P Sukumaran Nair

AUDITORS

M/s FRG Associates, No.127, Canal Road, Girinagar, Kochi- 682020

PRINCIPAL BANKERS

Syndicate Bank (Canara), Palayam Branch, Thiruvananthapuram.

REGISTERED OFFICE/CORPORATE OFFICE

12/1681(6) Kairali Towers, Asan Square, Palayam, University P.O, Thiruvananthapuram- 695034, Kerala

ഓഹരി ഉടമകൾക്കുള്ള ചെയർമാന്റെ കത്ത്

മനുഷ്യരാശി വലിയ ഒരു പ്രതിസന്ധിയിലാണ്. നമ്മുടെ തലമുറയോ മുൻതലമുറയോ അഭിമുഖീകരിക്കാത്ത വലിയ ഒരു പ്രതിസന്ധിയിലൂടെയാണ് ലോകം കടന്നുപോകുന്നത്. ഇതിന്റെ പ്രത്യക്ഷ പ്രത്യാഘാതം എല്ലാ മേഖലയിലും കാണാം. എന്നാൽ നമ്മുടെ രംഗം വലിയ തിരിച്ചടിയെയാണ് നേരിടുന്നത്. കമ്പനിയുടെ നിലനിൽപ്പ് പരസ്യങ്ങളെ മാത്രം ആശ്രയിച്ചാണ്. രണ്ടു പ്രളയങ്ങളെ അതിജീവിച്ച് പിടിച്ചുവെക്കാൻ തുടങ്ങിയ ഘട്ടങ്ങളിലാണ് മഹാമാരി ലോകത്തെ ഗ്രസിച്ചിരിക്കുന്നത് എങ്കിലും ആദ്യപാദങ്ങളിലെ പ്രവർത്തന മികവുകൊണ്ട് 2019-20 ആണ്ടിലെ പ്രകടനം അത്ര നിരാശാജനകമല്ലെന്നു പറയട്ടെ. എന്നാൽ വരും ദിനങ്ങൾ പ്രതിസന്ധിയുടേതു തന്നെയാണ്. ഒരുപാട് ദുരന്തങ്ങളെ നേരിട്ട നമ്മൾ ഇവിടെയും അതിജീവനം സാദ്ധ്യമാക്കുമെന്ന് പ്രത്യാശിക്കാം.

തിരുവനന്തപുരം
10.07.2020

സ്നേഹാദരങ്ങളോടെ,
മമ്മൂട്ടി, ചെയർമാൻ
മലയാളംകമ്മ്യൂണിക്കേഷൻസ് ലിമിറ്റഡ്

MALAYALAM COMMUNICATIONS LTD.

**Reg. Office: 12/1681(6), Kairali Towers, Asan Square, Palayam
University P O, Thiruvananthapuram- 695034, ++91 471 2386500, Fax: 2386501
CIN- U74300KL2000PLC013655**

NOTICE

To

All Shareholders,

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of the Company will be held on Friday the 14th August 2020 at 11am by Video Conferencing from the Registered Office of the Company to transact the following business.

1. To receive and adopt the Director's Report, Auditor's Report and Audited Statement of Accounts along with the notes on accounts for the year ended 31st March 2020.
2. To appoint Directors in place of Shri. V K Mohammed Ashraf and Shri. T RAjayan who retire by rotation and who are eligible for reappointment.
3. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and fix their remunerations. M/S FRG Associates No.127, Canal Road, Girinagar, Kochi – 682020, the retiring auditors being eligible have given their consent for reappointment.

**Date: 10.07.2020
Place: Trivandrum**

For and on the behalf of the Board
**Malayalam Communications Limited
Company Secretary**

**Registered Office: Kairali Tower, Asan Square
Palayam, Trivandrum
CIN: U74300KL2000PLC013655
E-mail: malayalam@kairalitv.in**

NOTES:**1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING THROUGH VIDEO CONFERENCING.**

2. 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.

3. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company, for consolidation into single folio.

4. Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of E-voting

5. E- voting

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its

Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company i.e. www.kairality.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **11.08.2020 10 AM and ends on 13.08.2020 – 5 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date Tuesday August 4, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module
- (v) Now enter your User ID
- a. For CDSL: 16 digits Demat Account Number,**
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.**
- Example:** – if your folio number is 1, enter MCL before your folio number. In folio number box, you have to enter MCL1.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) Next **Enter your PAN** updated with Depository Participant/ Company
- Shareholders who have not updated their PAN with the Company are required to enter their FIRST TWO CHARACTER OF NAME without any space IN CAPITAL LETTER followed by SEQUENCE NUMBER IN PAN FIELD. For obtaining sequence number contact the company at the email id evoting@kairality.in
- (ix) Next Enter **Dividend Bank Details**, updated in Demat Account or Company.
- Share holders who have not updated the Dividend Bank details with the Company are required to enter the **NUMBER OF SHARES** holding as on record date in Bank Account column
- (x) The column to enter **Date of Birth** may be left blank.
- (xi) After entering these details appropriately, click on "SUBMIT" tab.

- (xii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiv) Click on the EVSN for the relevant **MALAYALAM COMMUNICATIONS LTD** on which you choose to vote.
- (xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xx) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to evoting@kairality.in
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@kairality.in

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials.
2. The link for **VC Live Streaming** will be available in shareholder/members login where the EVSN of Company will be displayed. Kindly click on the link given below of Live streaming.
3. Enter your **First Name, Last Name and Email ID and click on Join Now**.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. If you have already installed the Cisco Webex application on your device, join the meeting by **clicking on Join Event**. If Webex application is not installed, a new page will appear giving you an option to either Add webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Event or Download the Cisco Webex Meeting application on your device from Play Store.
6. Click on the EVSN for the relevant Company **MALAYALAM COMMUNICATIONS LTD** on which you choose to vote. Kindly click on Live streaming link before voting.
7. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. 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 Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
9. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, atleast **7 days prior to meeting**, mentioning their name, demat account number/folio number, email id, mobile number, to the mail id **evoting@kairality.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, **7 days prior to meeting**, mentioning their name, demat account number/folio number, email id, mobile number to the mail id **evoting@kairality.in**. These queries will be replied to by the company suitably by email.
10. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM

through VC/OAVM facility and have not casted 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 available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; evoting@kairality.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



Directors' Report

To all shareholders

We have pleasure in presenting the report of our business operations for the year ended 31st March 2020 along with the audited statement of accounts, Auditors report and Balance Sheet.

Results of operations/Financial highlights

(Rs. in lakhs)

	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Total Income	5896.51	6210.13	5911.17	6220.91
Expenditure excluding depreciation and preliminary expenses	4954.51	5346.95	4954.51	5346.95
Depreciation	694.51	683.10	694.51	683.10
Preliminary expenses				
Net profit before Adjustments	247.49	180.08	262.16	190.86
Less : Provision for tax	91.44	52.80	91.44	52.80
Net profit after tax	156.05	127.28	170.71	138.06
Proposed Dividend	-	-	-	-
Tax on dividend	-	-	-	-
Net profit carried to Balance sheet	156.05	127.28	170.71	138.06

OPERATIONS

In view of the situation arising due to Covid epidemic and the need to keep social distancing, this year's AGM is held by Video Conferencing as per guidelines given by the MCA in this regard.

The Covid-19 epidemic has disrupted the operations of the business as a whole and your Company in particular. Even prior to covid, the television industry was badly disrupted on account of multiple factors including economic slowdown, new trends in entertainments etc. In spite of these adverse conditions your Directors are happy to report that your company has been able to maintain the growth level.

Your directors are constantly engaged in evolving new strategies to meet the situation.

CHANGE IN THE NATURE OF BUSINESS

No substantial change has occurred during the financial year in the nature of the company's business or in the nature of the business carried on by the Company and generally in the class of business in which the company has interest except tightening of norms by the Ministry of Information and Broadcasting.

DIVIDEND:

Your Directors could not recommend any dividend during the year under review, as the company has no divisible profits.

THE AMOUNT IF ANY PROPOSED BY THE BOARD TO CARRY TO RESERVE:

Your Company proposes to transfer Rs.156.05 lakh to the General Reserve.

DEPOSITS:

The Company has not accepted any deposits during the period under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, guarantee and investments have been disclosed in the financial statements.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has duly renewed the appointment of M/S Varma & Varma Chartered Accountants as Internal Auditor for the

period under review. They visit our office on a regular basis and submit their report to the Board on a quarterly basis. The management makes periodic review of such reports and oversees the corrective action from time to time.

BOARD OF DIRECTORS/ KEY MANAGERIAL PERSONNEL

The following is the list of Directors.

Shri. P I Mohammed kutty – Chairman
 Shri. John Brittas – Managing Director
 Shri. C K Karunakaran
 Shri. M M Monaye
 Shri. V K Mohammed Ashraf
 Shri. T R Ajayan
 Shri. A Vijayaraghavan
 Shri. A K Moosa

The following are designated as Key Managerial personnel of the Company.

1. Shri John Brittas – Managing Director
2. Shri M Venkataraman – Senior Director (Finance & Technical)
3. Shri K P Sukumaran Nair – Company Secretary

RETIREMENT OF DIRECTORS

Of the present Directors Shri. V K Mohammed Ashraf and Shri. T R Ajayan will retire by rotation. They have offered themselves for reappointment.

INDEPENDENT DIRECTORS

The following are declared as independent Directors

- 1 Shri. M M Monaye
- 2 Shri. A K Moosa

BOARD MEETING

The Board of Directors met 5 times during the financial year on 06.04.2019, 24.08.2019, 26.10.2019, 22.11.2019 and 27.03.2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each

Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

EVALUATION OF BOARD PERFORMANCE

The evaluation framework for assessing the performance of Directors comprise of the following key areas:

- 1 Attendance at the Board meetings and Committee meetings.
- 2 Quality of contribution to the Board deliberations safeguarding the interests of the Company, in dependence of judgment level of engagement and contribution.
- 3 Strategic perspectives or inputs regarding future growth of the Company and its performance.
- 4 Providing perspectives and feedbacks going beyond and the information provided by the management.
- 5 Commitment to shareholder and stakeholder's interest.

The evaluation involves individual evaluation by each member of the Board and subsequently assessment by the entire Board. A member of the Board will not participate in the discussion of his evaluation.

Disclosure about Cost Audit

Cost records have not been prescribed. Hence no disclosure about cost audit is made.

COMMITTEES OF BOARD

(i) Audit committee

The members of the Audit Committee are :

1. Shri M M Monaye
2. Shri John Brittas (MD)

In addition, The Statutory Auditors, Company Secretary and Senior Director (Finance & Technical) are invitees at each meeting.

(ii) Nomination & Remuneration Committee

The members of the Committee are

1. Shri. A.Vijayaraghavan.
2. Shri M.M.Monaye

The functions of the Nomination & Remuneration Committee includes inter alia to ensure that the remuneration to performance meets appropriate performance benchmark;

(iii) Committee for the Prevention of harassment of women at work place

The members of the Committee are

1. Shri. K P Sukumaran Nair – Company Secretary
2. Shri. T Radhamani – Social Activist

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No Complaints of Sexual harassment was received during the year.

RELATED PARTY TRANSACTIONS: Details given in schedule 31 of the Annual Account.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE/ FINANCIAL POSITION OF THE SUBSIDIARIES/ ASSOCIATES/JV

The Companies are MCL MEDIA PRIVATE LIMITED, KAIRALI TELEVISION PRIVATE LIMITED.

RISK MANAGEMENT POLICY

The Types of Risks involved in the business of the

- Company are-
- Market Risks
 - Operational Risks
 - Financial Risks
 - Legal Risks

With constant monitoring of the general economic conditions and peculiar conditions applicable to the business in which the Company is engaged, the Board has been able to achieve results in accordance with the objectives laid down by the Company from time to time.

EXTRACT OF ANNUAL RETURN

Form no MGT 9 is placed as Annexure I.

STATUTORY AUDITORS

From 2019-20, M/S FRG Associates, No.127 Canal Road, Girinagar, Kochi- 682020 were appointed as Statutory Auditors. They have confirmed their eligibility and willingness to accept the office, if ratified.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report as provided by Mr. Sajee Nair Practicing Company Secretary is annexed to this Report as Annexure II.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) The Company being unlisted, S. 134(3)(e) of the Act pertaining to laying down internal financial controls is not applicable to the Company.
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES AS PER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL)

There were no employees whose remuneration was in excess of the limits prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Considering its nature of activities, S.134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, the Company has no activities relating to conservation of energy & technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details given in schedule 31 of the Annual Account.

INDUSTRIAL RELATIONS

Industrial relations remained peaceful and cordial during the period under review.

ACKNOWLEDGEMENT

The Board formally extends their deepest gratitude to the members, all officials, bankers, investors, partners, associates, and professional parties, who extended their hands for the development of our business. The Directors also wish to place on record their thanks to all employees of the company for their unstinted efforts during the year

Place :Thiruvananthapuram
Date: 10.07.2020

For and on behalf of the Board,
P I Mohammed Kutty
CHAIRMAN



INDEPENDENT AUDITOR'S REPORT

The Members of

Malayalam Communications Limited

12/1681(6), Kairali Towers, Asan Square, Palayam, University P.O, Thiruvananthapuram, Kerala - 695034.

Opinion

We have audited the standalone financial statements of Malayalam Communications Limited, which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Responsibilities of Management for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these 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.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of section 143 of The Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

- (A) As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to

the best of our information and according to the explanations given to us:

- the Company does not have any pending litigations which would impact its financial position
- the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and according to the explanations given to us, the remuneration paid to its directors during the year is in accordance with provisions section 197 of the Companies Act, 2013.

For F R G Associates
Chartered Accountants
F.R.No: 008504S

S d/-
CA. Alwyn Faber
Partner
M.No.201858

UDIN:20201858AAAAAT5820
Place: Thiruvananthapuram
Date: 10-07-2020

Annexure A to Auditors' Report

Referred to in Paragraph 2 of Report on Other Legal and Regulatory Requirements of our Report of even date:

- The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
- As explained to us, the company is not dealing in any type of goods. Stocks shown by the company are certain prize materials to be distributed to participants in various programmes. As explained to us, these items have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed on physical verification of stock as compared to the book records.
- The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- In our opinion and according to the information and explanations given to us, 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.
- In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (a) According to the information and explanation given to us and the records of the company examined by us the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including

provident fund, employees' state insurance, income-tax, sales tax/ value added tax, Goods and Service Tax, service tax, wealth tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31.03.2020 for a period of more than six months from the date they became payable.

- According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, wealth tax, customs duty, excise duty and value added tax which have not been deposited on account of any dispute, except the following:
Relating to Income Tax for F.Y.2008-09, appeal pending with CIT (Appeals), Trivandrum for Rs.2.10 Lacs. Relating to F.Y.2013-14, appeal pending with CIT (Appeals), Trivandrum. Relating to FY 2014-15, appeal pending with CIT (Appeals), Trivandrum, and relating to PF appeal is pending with Appellate Tribunal, New Delhi for Rs. 2.87 Lacs.
- Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
- In our opinion, the term loans have been applied for the purposes for which they were raised. During the year, there were no moneys raised by way of initial public offer or further public offer.
- To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.
- In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- In our 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 Standalone Financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non — cash transactions with directors or persons connected with the Directors.
- (xvi) In our opinion and according to the information and explanations

given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For F R G Associates
Chartered Accountants
F.R.No: 008504S

Sd/-
CA.Alwyn Faber
Partner

M.No. 201858

UDIN:20201858AAAAAT5820

Place: Thiruvananthapuram

Date: 10-07-2020

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")

We have audited the internal financial controls over financial reporting of Malayalam Communications Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Standalone 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 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For F R G Associates
Chartered Accountants
F.R.No: 008504S

Sd/-
CA.Alwyn Faber
Partner

M.No.201858

UDIN:20201858AAAAAT5820

Place: Thiruvananthapuram

Date: 10-07-2020

MALAYALAM COMMUNICATIONS LIMITED

Regd. Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O, THIRUVANANTHAPURAM- 695034

STANDALONE BALANCE SHEET AS AT 31/03/2020

	NOTES	In Rs.	
		AS AT 31/03/2020	AS AT 31/03/2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	71,26,70,390.00	71,26,70,390.00
Reserves and surplus	3	23,12,62,191.28	21,56,57,104.38
		94,39,32,581.28	92,83,27,494.38
Share application money pending allotment	4	-	-
Non-current liabilities			
Long-term borrowings	5	49,45,02,556.33	47,52,35,484.55
Other Long term liabilities	6	6,97,34,558.96	7,09,77,683.44
		56,42,37,115.29	54,62,13,167.99
Current liabilities			
Short-term borrowings	7	50,95,02,237.21	64,12,04,162.90
Trade payables	8	3,04,69,428.41	5,57,51,998.00
Other current liabilities	9	10,12,26,689.04	11,90,28,635.45
Short Term Provisions	10	-	-
		64,11,98,354.66	81,59,84,796.35
TOTAL		2,14,93,68,051.23	2,29,05,25,458.72
ASSETS			
Non-current assets			
Property, Plant and Equipment			
Tangible Assets	11	17,87,30,202.36	19,40,98,446.94
Intangible Assets	11	69,94,03,039.62	63,67,58,779.60
		87,81,33,241.98	83,08,57,226.54
Investments	12	8,35,20,000.00	20,000.00
Deferred tax assets (net)	13	14,16,26,713.75	15,07,71,206.75
Long Term loans and advances	14	7,49,17,913.12	3,76,47,902.09
Other Non Current Assets	16	42,24,41,517.66	44,86,20,407.65
		72,25,06,144.53	63,70,59,516.49
Current assets			
Programme software, Serials and Inhouse Production	15	15,36,03,936.84	20,66,46,407.48
Trade receivables	16	26,55,99,187.29	34,03,63,933.90
Cash and cash equivalents	17	3,83,64,735.95	14,31,14,862.48
Short-term loans and advances	18	9,01,68,640.92	13,14,91,348.11
Other current assets	19	9,92,163.72	9,92,163.72
		54,87,28,664.72	82,26,08,715.69
TOTAL		2,14,93,68,051.23	2,29,05,25,458.72

Summary of significant Accounting Policies - Note - 1

The accompanying notes are an integral part of the Standalone financial statements

In terms of our attached report of even date
For F R G ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 008504S

Sd/-
ALWYN FABER
(PARTNER)
M.No. 201858

Sd/-
P.I.MOHAMMEDKUTTY
CHAIRMAN
DIN No. 00349956

For and on behalf of the Board of Directors of
MALAYALAM COMMUNICATIONS LIMITED

Sd/-
JOHN BRITTS
MANAGING DIRECTOR
DIN No. 00338684

Place: Thiruvananthapuram
Date: 10-07-2020

Sd/-
K.P. SUKUMARAN NAIR
COMPANY SECRETARY
M.No.1098

Sd/-
M. VENKITARAMAN
SR. DIRECTOR
(FINANCE & TECHNICAL)



MALAYALAM COMMUNICATIONS LIMITED

Regd. Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O, THIRUVANANTHAPURAM- 695034

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2020

	NOTES	In Rs. AS AT 31/03/2020	In Rs. AS AT 31/03/2019
Revenue			
Revenue from Operations	20	53,57,74,769.39	57,54,04,757.90
Other Income	21	5,38,76,286.00	4,56,08,553.55
Total Revenue		58,96,51,055.39	62,10,13,311.45
Expenses			
Production Expenses	22	4,18,53,583.50	3,42,04,326.74
Telecast Expenses	23	4,83,08,180.04	4,72,10,976.06
Marketing Expenses	24	7,19,92,203.54	7,12,24,988.04
Employee Cost	25	9,68,55,815.00	9,07,89,541.40
Establishment Expenses	26	4,01,32,911.58	4,05,66,984.58
Finance Costs	27	8,85,95,007.98	10,88,23,547.17
Tax Expenses	28	21,43,035.00	2,64,80,850.00
Other expenses	29	28,95,753.55	25,15,491.28
Amortisation of Programme Software		10,23,59,020.71	11,23,57,405.57
Depreciation Written off	11	6,94,51,323.79	6,83,10,806.92
Total Expenses		56,45,86,834.69	60,24,84,917.76
Profit before exceptional, extraordinary and prior period items		2,50,64,220.70	1,85,28,393.69
Exceptional items		-	-
Profit before prior period items and tax		2,50,64,220.70	1,85,28,393.69
Prior Period Items		3,14,640.80	5,20,672.82
Profit before tax		2,47,49,579.90	1,80,07,720.87
Tax expense:			
Current Tax		-	-
Deferred Tax		91,44,493.00	52,79,657.95
Profit (Loss) for the period from continuing operations		1,56,05,086.90	1,27,28,062.92
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		1,56,05,086.90	1,27,28,062.92
Dividend Paid		-	-
Net Profit / (Loss) carried to Balance Sheet		1,56,05,086.90	1,27,28,062.92
Earnings per share (Nominal Value per share is Rs.10000.00)			
Basic	30	218.97	178.60
Diluted	30	201.76	164.56

Summary of significant Accounting Policies - Note - 1

The accompanying notes are an integral part of the Standalone financial statements

In terms of our attached report of even date
For F R G ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 008504S

For and on behalf of the Board of Directors of
MALAYALAM COMMUNICATIONS LIMITED

Sd/-
ALWYN FABER
(PARTNER)
M.No. 201858

Sd/-
P.I.MOHAMMEDKUTTY
CHAIRMAN
DIN No. 00349956

Sd/-
JOHN BRITTAS
MANAGING DIRECTOR
DIN No. 00338684

Place: Thiruvananthapuram
Date: 10-07-2020

Sd/-
K.P. SUKUMARAN NAIR
COMPANY SECRETARY
M.No.1098

Sd/-
M. VENKITARAMAN
SR. DIRECTOR
(FINANCE & TECHNICAL)

MALAYALAM COMMUNICATIONS LIMITED

Reg: office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERISTY.P .0, TH IRUVANATHAPURAM - 695034.

NOTES NO.1

A. ACCOUNTING POLICIES FOR THE YEAR ENDED

31ST MARCH 2020

1. Corporate Information

Malayalam Communications Limited is a public limited company registered in India under the Companies Act, 1956 in the year 2000. The company is in to the business of running television channels in Malayalam, disseminating entertainment programmes, cultural and informative programmes etc, in the name and style of Kairali, Kairali News, WE, Kairali Arabia and Kairalinewsonline.com

2. Basis of Preparation

The Standalone financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India. The company has prepared these Standalone financial statements to comply in all material respects with the accounting standards as notified by Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, if any to the extent applicable. The accounting policies have been consistently applied by the Company from its formation onwards and are consistent with those used in the previous year.

3. Use of Estimate

The preparation of Standalone financial statements requires, the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating contingent liabilities as at the date of the Standalone financial statements and reported amounts of income and expenses during the period. Although these estimates are based up on management's best knowledge of current events and actions, actual results could differ from these estimates. Uncertainties about those estimates and assumption could result in outcomes requiring material adjustments to the carrying amounts of assets and liabilities in the future period. Examples of such expenses include provision for doubtful debts, useful lives of fixed assets, and useful lives of programme software etc.

4. Valuation of Inventories

The company does not have any item of inventory. The company is not dealing in any type of goods. During the year there were certain sponsorship items to be distributed as prizes to the participants of the programmes telecast by the company. Such items which had not yet been distributed as on 31-03-2020 is shown as stock of prize materials under other current assets.

5. Fixed Assets and Depreciation Accounting

Fixed asset are stated at cost less accumulated depreciation. The cost of fixed assets comprises of its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Depreciation on tangible fixed assets is provided using Written Down Value Method on the useful life of the assets in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed of during the year, depreciation is provided up to the month of the sale or disposal of the asset. Profit or loss on sale of tangible fixed assets is recognized in the Statement of Profit and Loss. Film Rights are measured on initial recognition at cost. Following initial recognition, Film Rights are carried at cost less accumulated amortization and accumulated impairment loss, if any. Film Rights are amortised over the agreement period of each right as determined by the management. Wherever

necessary, carrying amount of fixed assets debited to retained earnings where remaining useful life of the asset is nil.

6. Impairment of Assets

As on the balance sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets, as per the report of the Company's Senior Director (Finance & Technical). Hence there is no impairment loss on the assets of the company. Recoverable amount is the higher of the asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties less the cost of disposal.

7. Revenue Recognition

- The income of the company is derived from Time Sales billed net, during the year under different categories of the time sales. The free commercial time attached to each party is not considered while recognizing income.
- The income with relate to time sales of the programme acquired and telecast on revenue share basis are recognized in full and the share of revenue payable to the other party of the agreement is capitalized and treated as cost of the Programme.
- The channel carriage charges received/receivable from foreign countries are billed and accounted on monthly basis.
- Interest incomes from banks are recognized on accrual basis in the accounts for the period as per the rates prescribed by the banks and the certificate from the banks. The deposits in the bank are renewed on a yearly basis according to the requirements.
- The revenue and expenditure are accounted on a going concern basis.

8. Accounting for effects in Foreign Exchange

- Foreign currency liabilities and monetary assets such as debtors are stated at the year-end rate and the resultant exchange rate difference is dealt with in the profit and loss account as explained below.
- The amounts received from export turnover have been accounted on the basis of Foreign Inward Remittance Certificates received from the banks by the Company. The net of exchange fluctuations from the transactions entered by the company during the year and the effect of variations in exchange rates on debtors balances when compared with the rates at the beginning of the year and at the close of the financial year has been calculated and considered by the company and has been declared as a profit under the head other income in the profit and loss account.
- Channel subscription in foreign currency and the expenses incurred in foreign currency towards subscription, traveling, etc are accounted at the rate of the exchange prevailing on the date of the transaction.

9. Accounting for Employee Benefits

- Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- The eligible employees of the company are entitled to receive post employment benefit in respect of provident and family pension fund, in which both employees and the Company makes monthly contributions at the specified rates. Provident fund and family pension fund are classified as defined contribution plans and the company has no further obligations beyond making the contribution. The company's contributions to such definite plans are charged to the profit and loss account.



- iii. The cost of providing benefit under the gratuity plan is determined on the basis of actuarial valuation. The current service cost and actuarial gain & loss are recognized in full in the period in which they occur in the statement of Profit and Loss.
- iv. The expenses arising from the services provided by the employees in exchange of employee benefits are accounted and provided for as per the governing statutes.

10. Accounting for Borrowing Costs

The Company has incurred interest and other cost on borrowing with respect to acquisition/ construction of fixed assets and are being capitalized up to the date when such assets are ready for its intended use. The other borrowing cost incurred during the year is charged to profit and loss account.

11. Investments in Associate Enterprise

The Company's investment at cost. Where the carrying amount of an investment is greater in equity instruments in associate enterprises are accounted for than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

12. Related Party disclosure

None of the transactions with the related party fall under the Scope of Section 188(1) of the Companies Act 2013. All Transactions with related parties entered during the year were in the Ordinary Course of Business and on arms length and duly approved by the appropriate committees of the Company. The Company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company. Relevant disclosures have been made in Note No. 31 of the Standalone Financial Statements.

13. Accounting for taxes on Income

- i. Current tax is provided on the basis of estimated taxable income in accordance with the Income Tax Act, 1961 using the applicable tax rates and tax laws. As the estimated taxable income is nil, no provision made during the year.
- ii. Deferred tax is recognized, subject to the consideration of prudence on timing differences between taxable income/ loss and accounting income/ loss that originate in one period and are capable of reversal in one or more subsequent period.
- iii. Deferred tax assets arising on account of brought forward losses and un-absorbed depreciation are recognized, as there is a certainty of realization supported by convincing evidences.
- iv. Deferred tax liability resulting from "timing difference" between book and taxable income for the year and between the value of the assets as per books and as per Income Tax Act are recognized and accounted using the tax and law that have been enacted or subsequently enacted as on the balance sheet date.

14. Amortisation of Programme Software

The programme software is a tradable item of the company from which future economic benefits are derived. For valuation purpose, the variable expenses on production of Programme and acquisition of serials and Programmes, documentaries, Tele films, fillers and special occasion Programmes are identified and transferred to Programme software at the end of the current financial year. This Programme software will be amortised over a period of next three financial years from the financial year in which it is identified as programmes, based on its income generation capabilities, as done in all the previous financial years.

15. Contingent Liabilities and assets

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a

liability that cannot be recognized because it cannot be measured reliably. The company does not recognize contingent liability but discloses its existence in the Standalone financial statements. The contingent assets which are likely to give rise to the possibility of inflow of economic benefits, if any, are not ascertained or disclosed on the basis of prudence.

16. Transactions with Small, Micro and Medium Enterprises

The transactions entered with Small, Micro and Medium enterprises are not identifiable due to lack of information from such parties. Hence the amounts due to them are not separately classified. No interest has also been calculated on such dues, as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006

17. Earnings per Share

The Basic Earnings Per Share (EPS) is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity share outstanding for the effects of all dilutive potential equity shares.

18. Trade Receivables (Sundry Debtors)

The Company has considered all Sundry Debtors under the head Current Assets & Loans and Advances as recoverable. The company has initiated legal proceedings against some parties outstanding. None of the parties included in the sundry debtors had been reported as insolvent. Provision for bad and doubtful debts are provided as follows for making the results of the Standalone financial statements more realistic

- a. For those debts outstanding for more than 3 year - 100 %
- b. Suit filed accounts (considered recoverable - 50 %
- c. For those debts outstanding for more than 2 year and other identified debts in which transaction is less - 30 %

All the debtors are considered as good, except for which provision has been made.

19. Financial and Management information Systems

The books of accounts and other records are designed and maintained with a view to practice an integrated system. The books of accounts and other records have been designed to facilitate compliance of the relevant provisions of The Companies Act on the one hand, and meet the internal requirements of information and systems for planning.

20. Advance for the Programmes

The advances for the production of various programmes are given to the concerned producers and the settlements are made after completion of the production and the completed programmes are received at the library. Expenses incurred over and above the budgeted amounts, if any, are sanctioned by the company after verification. The prior period item arising on such settlement is not separately disclosed.

21. News Bureaus

The company has news bureaus at different places within and outside the state and the expenditure incurred has been incorporated in the Standalone financial statements of the company.

22. Advances to Bureaus

The company has given advances to various News bureaus and Marketing Offices for meeting the expenses and the same is disclosed in the Standalone financial statements as Advances in the name of the concerned Bureaus and Offices under the head Current Assets, Loans & Advances.

23. Prior Period Expenditures.

The company has charged to the Statement of profit and loss an amount of Rs. 314640.80 as expenses of prior period under various heads of accounts.

24. Leased Assets

No Assets are taken on lease during the period.

25. There are no long term contracts as on 31-03-2020 including derivative contracts for which there are any material foreseeable losses.

26. The company has no other bank accounts other than those disclosed in the Standalone financial statements.

27. Figures for the previous year have been re-grouped, re-arranged and re-classified wherever necessary.

B. NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2 Share Capital	CURRENT YEAR	PREVIOUS YEAR
Authorised		
100000 (100000) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	1,00,00,00,000.00	1,00,00,00,000.00
Total Rs	1,00,00,00,000.00	1,00,00,00,000.00
Issued		
71267(71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00
Subscribed		
71267(71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00
Paidup		
71267 (71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value Fully Paid up	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00

For the last 5 years there are no transactions in both equity and preference shares regarding buy back, redemption, issue of bonus shares and issue of shares for a consideration other than cash. Any way the details of the last two years are shown below.

Details of Shares	CURRENT YEAR	PREVIOUS YEAR
Number of Equity Shares Bought Back	Nil	Nil
Number of Preference Shares Redeemed	Nil	Nil
Number of Equity Share Issue as Bonus Share	Nil	Nil
Number of Preference Share Issue as Bonus Share	Nil	Nil
Number of Equity Shares Allotted For Contracts Without Payment Received In Cash	Nil	Nil
Number of Preference Shares Allotted For Contracts Without Payment Received In Cash	Nil	Nil

Reconciliation	CURRENT YEAR		PREVIOUS YEAR	
Number of shares at the beginning	71,267	71,26,70,390.00	71,267	71,26,70,390.00
Add : Issue	-	-	-	-
Less : Bought Back	-	-	-	-
Add : Other	-	-	-	-
Number of shares at the end	71,267	71,26,70,390.00	71,267	71,26,70,390.00

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having a par value of Rs. 10,000.00 per share. For all matters require to vote, in a shareholders meeting of the company, every holder of an equity share as reflected in the records of the company on the date of share holders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of equity shares in proportion to the number of shares held to total equity shares standing in the name of each share holder as per the register on that date. In the event of liquidation of the company, all preferential amounts if any will be discharged by the company. The remaining assets of the company shall be distributed to the share holders of the equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Share holding Patterns

The details of Shareholders holding more than 5% shares are set out below:

SI No.	Name of Shareholder	Current Year	Previous Year
1	Kairali Fraction Shareholders		
	Entitlement Trust	21077.039 (29.57%)	21077.039 (29.57%)
3	Reserve and Surplus	CURRENT YEAR	PREVIOUS YEAR
	Profit and Loss Opening	21,56,57,104.38	20,29,29,041.46
	Addition : Amount Transferred From Statement of Profit and Loss	1,56,05,086.90	1,27,28,062.92
	Total Rs	23,12,62,191.28	21,56,57,104.38
4	Share Application Money	CURRENT YEAR	PREVIOUS YEAR
	Pending Allotment		
	Equity Share Capital Pending Allotment	-	-
	Total Rs	-	-

5 Long Term Borrowings	CURRENT YEAR	PREVIOUS YEAR
Secured		
Borrowing from Banks	21,65,33,476.82	19,70,30,760.04
Unsecured		
Zero Coupon Compulsorily Convertible Debentures	27,50,00,000.00	27,50,00,000.00

Borrowing from Banks	29,69,079.51	32,04,724.51
Total Rs	49,45,02,556.33	47,52,35,484.55

Note: Secured loans are secured by a charge on Film Rights, Equipments and Vehicles.

Note: Unsecured loans from Banks are guaranteed by a Director of the Company and is secured by the deposits made by that director.

Note: During the year the company has not issued any new zero coupon compulsorily convertible debentures.

Schedule of repayment and redemption for convertible debentures

Type	Number	Redeemable on	Principal Amount
Unsecured Zero Coupon Compulsorily Convertible Debentures			
1000 (Opening)	1000	11th February 2027	10,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
200 (Opening)	200	1st July 2027	2,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
300 (Opening)	300	29th May 2027	3,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
250 (Opening)	250	17th September 2027	2,50,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
100 (Opening)	100	29th May 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
100 (Opening)	100	29th May 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
200 (Opening)	200	31st July 2028	2,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
100 (Opening)	100	31st July 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures			
500 (Opening)	500	31st July 2028	5,00,00,000.00

6 Other Long Term Liabilities	CURRENT YEAR	PREVIOUS YEAR
Trade Payables		
Assets and Repairs Payable	2,14,020.00	2,13,816.00
Creditors for Expenses	2,09,83,087.39	1,58,42,222.39
Creditors for Film Rights	1,26,07,514.35	1,26,07,514.35
Creditors for Programme Software	3,45,96,886.02	4,09,25,611.50
Creditors for Deposits	7,29,969.00	7,29,969.00
Other Creditors	2,50,046.00	2,50,046.00
Special Funds	2,43,572.70	2,45,072.70
News Expenses Payable	85,943.50	1,03,219.50
Vehicle Expenses Payable	23,520.00	60,212.00
Total Rs	6,97,34,558.96	7,09,77,683.44

7. Short-term borrowings	CURRENT YEAR	PREVIOUS YEAR
Secured		
Overdraft from Banks	50,95,02,237.21	64,12,04,162.90
Total Rs	50,95,02,237.21	64,12,04,162.90

Note: The borrowings from Syndicate Bank is secured by a first charge on all current assets of the company, where no specific charges are created for loans taken for obtaining such assets, including film rights, television serials, debtors and equitable mortgage of land.

8 Trade Payables	CURRENT YEAR	PREVIOUS YEAR
Creditors Due others		
Creditors for Programme Software	2,67,02,164.21	5,25,81,570.05
News Expenses Payable	37,67,264.20	31,70,427.95
Total Rs	3,04,69,428.41	5,57,51,998.00

9 Other Current Liabilities	CURRENT YEAR	PREVIOUS YEAR
Assets and Repairs Payable	19,70,095.00	26,45,390.00
Credit Balance in Debtors Account	14,63,864.86	8,71,704.00
Creditors for Expenses	3,85,82,845.04	3,59,90,977.49
Creditors for Film Rights	23,01,500.00	-
Other Creditors	5,34,540.00	46,684.00
Rent Payable	11,66,772.00	13,65,438.00
Statutory Items Payable	2,98,78,561.71	3,46,12,987.69
Vehicle Expenses Payable	6,68,925.15	7,35,268.45
Unclaimed Dividend	2,08,19,183.00	2,11,53,741.00
Current Maturities of Long Term Debt	38,40,402.28	2,16,06,444.82
Total Rs	10,12,26,689.04	11,90,28,635.45

10 Short Term Provisions	CURRENT YEAR	PREVIOUS YEAR
Provision for Tax	-	-
Total Rs	-	-

12 Investments	CURRENT YEAR	PREVIOUS YEAR
Non Traded, Unquoted Investment		
Investment in Equity Shares		
Investment in Equity share of Kairali Television Pvt Ltd	10,000.00	10,000.00



(100 Equity share of Rs. 100 each, Fully paid at cost)		
Investment in Equity share of MCL Media Pvt Ltd	10,000.00	10,000.00
(100 Equity share of Rs. 100 each, Fully paid at cost)		
Total Investment in Equity Shares	20,000.00	20,000.00
Investment in Debentures		
Investment in Debentures of MCL Media Pvt Ltd	8,35,00,000.00	-
(835 Number of 5% Redeemable Debentures of Rs.1,00,000 each)		
Total Investment in Debentures	8,35,00,000.00	-
Total Rs	8,35,20,000.00	20,000.00
13 Deferred Taxes	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets		
Deferred Tax	14,16,26,713.75	15,07,71,206.75
Total Rs	14,16,26,713.75	15,07,71,206.75
14 Long-term loans and advances	CURRENT YEAR	PREVIOUS YEAR
Capital Advances		
Secured considered good		
Advance for Films	5,62,82,746.00	1,51,01,318.00
Advance to Bureau and Marketing Office	2,13,774.20	1,95,805.17
Other Advances	1,57,032.01	1,57,262.01
Security Deposits		
Secured considered good		
Other Deposits	1,47,89,902.91	1,86,40,158.91
Rent Deposits	34,74,458.00	35,53,358.00
Total Rs	7,49,17,913.12	3,76,47,902.09
15 Programme Softwares, Serials & Inhouse Production	CURRENT YEAR	PREVIOUS YEAR
Unamortised Programme Software, Serials and Inhouse Production	15,36,03,936.84	20,66,46,407.48
Total Rs	15,36,03,936.84	20,66,46,407.48
16 Trade receivables	CURRENT YEAR	PREVIOUS YEAR
Trade Receivable		
Secured, considered good		
Considered as Current Assets		
Within Six Months		
19,85,09,104.93	22,94,31,881.79	
Exceeding Six Months		
6,70,90,082.36	11,09,32,052.11	26,55,99,187.29
34,03,63,933.90		
Considered as Non Current Assets		
Exceeding One Year		
45,04,92,916.64	47,64,45,779.83	
Less: Provision for Doubtful Debts		
(2,80,51,398.98)	(2,78,25,372.18)	42,24,41,517.66
44,86,20,407.65		
Total Rs	68,80,40,704.95	78,89,84,341.55
17 Cash and cash equivalents	CURRENT YEAR	PREVIOUS YEAR
Cash in Hand	15,138.00	30,099.00
Balances With Banks		
Balance Scheduled Banks		
Current Account	47,67,745.09	35,39,147.42
Deposit Account	1,23,31,324.47	11,81,10,951.45
Earmarked balances with Banks		
Unclaimed Dividend Account	2,12,39,849.66	2,14,23,985.88
Balance Other Banks		
Current Account	10,678.73	10,678.73
Total Rs	3,83,64,735.95	14,31,14,862.48
18 Short-term loans and advances	CURRENT YEAR	PREVIOUS YEAR
Capital Advances		
Secured considered good		
Advance for Capital Work	-	15,00,000.00
Advance for Films	6,27,682.00	4,88,63,110.00
Advance for Programmes	11,53,544.32	15,52,713.30
Advance to Bureau and Marketing Office	44,799.00	33,502.03
Other Advances	23,90,394.03	22,06,231.73
Security Deposits		
Secured considered good		
Other Deposits	-	1,63,400.00
Tax Deducted at Source	2,77,95,907.03	2,47,87,744.29
Loans and advances to others		
Secured considered good		
Mat Credit Entitlement	3,84,25,564.00	3,37,66,843.00
Advance Tax	70,00,000.00	60,00,000.00
Reverse Charge Entitlement	69,30,354.54	41,55,543.12
Prepaid Expenses	58,00,396.00	84,62,260.64
Total Rs	9,01,68,640.92	13,14,91,348.11
19 Other current assets	CURRENT YEAR	PREVIOUS YEAR
Stock of Prize Materials	9,92,163.72	9,92,163.72
Total Rs	9,92,163.72	9,92,163.72

Contingent Liabilities and Commitments	CURRENT YEAR	PREVIOUS YEAR
Contingent Liabilities	In. Rs Lacs	In. Rs Lacs
a) Claims against the Company not acknowledged as debt (i)	22.11	58.11
b) Guarantees		
Bank guarantee given to KSEB	8.00	8.00
Bank guarantee given for arbitration procedure	42.00	42.00
Commitments		
EPGC Export Obligation in US Dollars amounting to 45773610.06 (3 Licences)		
(i) Relating to Income Tax for FY.2008-09, appeal pending with CIT (Appeals), Trivandrum for Rs.2.10 Lacs. Relating to FY 2012-13 appeal pending with CIT (Appeals) Trivandrum for Rs. 17.14 Lacs, Relating to FY2013-14, appeal pending with CIT (Appeals), Trivandrum. Relating to Provident Fund, appeal pending with Appellate Tribunal, New Delhi for Rs. 2.87 Lacs. The company is contesting the demand and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operation.		

ITEMS IN THE STATEMENT OF PROFIT AND LOSS

20 TIME SALES	CURRENT YEAR	PREVIOUS YEAR
Associate Sponsorship	2,70,20,763.14	4,31,92,821.26
Branding	7,23,93,790.02	21,35,19,553.92
Co-Branding	23,96,075.00	1,27,500.00
Day Sponsorship	-	1,10,00,000.00
Day Branding	-	10,00,000.00
Kairali Online	15,83,559.44	25,81,197.92
Powered By	33,09,912.00	-
Special Package	17,77,00,361.50	13,15,967.52
Sponsorship	2,94,10,952.27	9,29,91,183.01
Spot Release	18,90,66,446.32	17,34,68,067.86
Ticker	15,87,247.89	17,17,585.99
Time Slot	3,13,05,661.81	3,44,90,880.42
Total Rs	53,57,74,769.39	57,54,04,757.90
21 OTHER INCOMES	CURRENT YEAR	PREVIOUS YEAR
Award Received	15,000.00	30,000.00
Bad Debts Recovered	7,17,990.00	3,00,000.00
Content Sale	-	22,32,143.00
Duty Credit Scrip	29,50,000.00	-
Interest Received	33,84,661.66	80,24,900.27
Exchange Rate Difference	3,33,75,532.82	1,93,30,780.89
Indemnity Bond	54,166.00	1,08,718.00
Miscellaneous Income	80,000.00	5,543.00
Subscription (Channel Carriage)	1,32,98,935.52	1,55,76,468.39
Total Rs	5,38,76,286.00	4,56,08,553.55
22 PRODUCTION EXPENSES	CURRENT YEAR	PREVIOUS YEAR
News and Current Affairs Production Expenses	1,99,14,592.83	1,65,25,716.51
Electricity Charges	1,21,41,028.20	1,00,91,303.00
News Subscription - Asian Films TV Pvt Ltd	26,97,500.58	1,54,918.00
Stringer Office Expenses	7,71,884.00	11,33,378.00
Vehicle Fuel Charges	25,71,081.75	27,99,474.16
Vehicle Hire Charges	37,57,496.14	34,99,537.00
Total Rs	4,18,53,583.50	3,42,04,326.74
23 TELECAST EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Carriage Fee Paid	76,83,989.00	74,08,750.00
O F C Charges	62,05,396.47	70,85,947.55
Space Segement Charges	27,72,913.33	33,57,951.00
VSNL Uplinking Fee	3,12,78,131.24	2,87,68,194.25
WPC Licence Fee & NOCC	3,67,750.00	5,90,133.26
Total Rs	4,83,08,180.04	4,72,10,976.06
24 MARKETING EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Advertisement Charges	2,65,000.00	2,51,500.00
Advertisement Commission Paid	23,81,722.27	42,06,200.62
Bad Debts Written Off	3,20,54,361.85	1,67,52,981.74
Provision for Bad and Doubtful Debts	2,26,026.80	77,87,547.50
Marketing Office Expenses	2,82,66,552.66	3,51,66,283.65
Subscriptions	40,22,539.96	32,34,416.53
Retainer Fee	2,76,000.00	2,76,000.00
BARC Subscription Charges	45,00,000.00	35,50,058.00
Total Rs	7,19,92,203.54	7,12,24,988.04
25 EMPLOYEE COST	CURRENT YEAR	PREVIOUS YEAR
Amenities to Staff	6,90,483.00	4,29,879.00
Contribution to Funds	66,90,794.00	67,40,164.00
Encashment of Privilage Leave	4,72,658.00	6,78,763.00
Festival Allowance	26,74,000.00	27,82,000.00
Provision for Gratuity	62,24,886.00	14,46,409.00

Staff Medical Expenses	14,91,060.00	17,74,134.40
Staff Training Expenses	6,000.00	-
Salaries and Allowances	7,86,05,934.00	7,69,38,192.00
Total Rs	9,68,55,815.00	9,07,89,541.40
26 ESTABLISHMENT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Accommodation Expenses - Directors	2,43,946.46	1,27,770.86
Accommodation Expenses - Others	1,39,216.64	1,36,454.20
AGM Expenses	3,14,897.40	4,14,120.98
Annual Maintenance Contract	92,64,905.03	89,13,690.68
Audit Expenses Re-imbursed	1,83,733.00	1,74,708.00
Audit Fees	6,50,000.00	6,50,000.00
Board and Committee Meeting Expenses	26,980.00	65,724.00
Insurance - Vehicle	2,15,162.50	1,64,859.20
Insurance - Others	15,34,831.24	14,96,716.40
Internal Audit Expenses	26,229.00	48,547.00
Internal Audit Fees	3,20,000.00	3,60,000.00
Legal Charges	11,28,900.00	5,61,548.00
Local Conveyance	2,110.00	2,436.00
Meeting Expenses	28,600.00	-
Newspapers and Periodicals	2,10,263.00	2,11,048.00
Postage Charges	2,18,295.01	1,11,272.48
Printing and Stationary	22,81,381.76	6,11,732.80
Professional Fees Paid	6,60,304.00	15,56,150.00
Rating Fees	4,80,370.40	8,86,000.00
Rent Paid	94,11,176.68	98,79,499.92
Repairs and Maintenance	38,28,774.38	54,85,598.10
Security Charges	18,30,650.00	19,78,605.93
Sitting Fees	14,000.00	30,000.00
Stipend	17,82,689.00	11,28,405.00
Taxes and Fees	8,90,807.00	8,91,459.75
Telephone Charges	24,53,865.68	21,59,756.84
Travelling Expenses - Directors	13,79,307.00	14,52,463.44
Travelling Expenses - Others	6,11,516.40	10,68,417.00
Total Rs	4,01,32,911.58	4,05,66,984.58

27 FINANCIAL EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Interest on Bank Borrowings	8,51,44,426.12	10,46,60,927.56
Bank Charges	34,41,078.86	41,54,062.61
Bank Guarantee Commission	9,503.00	8,557.00
Total Rs	8,85,95,007.98	10,88,23,547.17
28 TAX EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Tax Paid	5,400.00	6,67,298.00
Interest Paid on Delayed Payment of Income Tax	5,88,959.00	-
Interest Paid on Delayed Payment of TDS	58,439.00	47,138.00
Interest on Service Tax	20,000.00	5,72,870.00
Service Tax Paid	14,70,237.00	6,40,529.00
MAT Credit Utilised w / off	-	2,45,53,015.00
Total Rs	21,43,035.00	2,64,80,850.00
29 OTHER EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Award Expenses	2,38,000.00	4,25,000.00
Brokerage	5,000.00	-
Cleaning Charges	14,97,199.05	14,02,172.76
Customs Clearing Charges	23,226.64	40,836.52
Film Re-processing Charges	80,000.00	-
Fines, Fees and Damages	7,55,772.00	1,67,277.00
Hospitality	27,937.86	10,621.00
Miscellaneous Expenses	6,400.00	1,98,303.00
Water Charges	2,62,218.00	2,71,281.00
Total Rs	28,95,753.55	25,15,491.28
30 EARNINGS PER SHARE	CURRENT YEAR	PREVIOUS YEAR
Net Profit After Tax for Basic EPS	1,56,05,086.90	1,27,28,062.92
Net Profit After Tax for Dilutive EPS	1,56,05,086.90	1,27,28,062.92
Weighted Average Number of Equity Shares for Basic EPS	71267	71267
Weighted Average Number of Equity Shares for Dilutive EPS	78912	77344
Basic EPS	218.97	178.60
Diluted EPS	197.75	164.56

31 DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

Related Parties and Nature of Relationship

Related Parties with whom transactions have taken place during the year:

a. Key Managerial Personnel:

- 1 John Brittas - Managing Director
- 2 K P Sukumaran Nair - Company Secretary
- 3 M Venkitaraman - Senior Director (Finance and Technical)

b. Associate Enterprises

- 1 MCL Media Private Limited
- 2 Kairali Television Private Limited

The following table provides the total amount of transactions entered into with related party for the relevant Financial Year

a. Associate Enterprises

SI no.	Name of Related Party	Nature of Transactions	Current Year	Previous Year
1	MCL Media Private Limited	Expenses met for Associate Company	3,025.00	7,600.00
2	MCL Media Private Limited	Purchase of Programme	5,10,000.00	23,000.00
3	MCL Media Private Limited	Investment in Debentures *	8,35,00,000.00	-
4	Kairali Television Private Limited	Expenses met for Associate Company	8,17,730.00	7,600.00

The following table provides the balance outstanding at the year end in associates

SI no.	Name of Related Party	Nature of Transactions	Current Year	Previous Year
1	MCL Media Private Limited	Receivable	5,24,930.00	8,35,37,045.00
2	Kairali Television Private Limited	Receivable	8,50,330.00	32,600.00

* Note: The debentures are in the nature of 5% Redeemable Debentures. These are redeemable after 5 years from the date of issue and on maturity with a 'PUT' option to the issuer enforceable any time after one year for redemption in part or full.

Payments and Reimbursements to Directors CURRENT YEAR PREVIOUS YEAR

Accommodation Expenses - Directors	2,43,946.46	1,27,770.86
Travelling Expenses - Directors	13,79,307.00	14,52,463.44
Sitting Fees	14,000.00	30,000.00

Export of services billed in Foreign Currency CURRENT YEAR PREVIOUS YEAR

Time Sales		
In US Dollars	2,57,699.13	6,00,851.03
In UAE Dirhams	13,13,989.54	17,83,399.36
In Kuwaiti Dinar	2,100.00	-
In Omani Riyal	62,450.00	4,116.00
In Qatar Riyal	-	1,34,000.00
In Saudi Riyal	-	1,50,600.00
In Bahrain Dinar	10,000.00	9,600.00
Channel Subscription Charges in USD	1,87,640.39	2,35,705.80
Channel Subscription Charges in Pound	828.50	-

Payments made in Foreign Currencies CURRENT YEAR PREVIOUS YEAR

Asset Purchases		
USD		3,725.00
EURO	3,591.00	3,150.00
Channel Carriage Fees Paid	USD 1,29,720.00	1,58,190.00
News Subscription	USD	50,589.00
Marketing Expenses	USD 10,000.00	24,000.00
Travelling Expenses Directors	AED 14,000.00	-
Travelling Expenses Directors	USD 1,135.00	4,174.00
Accommodation Expenses Directors	AED 5,877.00	-
Annual Maintenance Contract	EURO 4,500.00	13,900.00



MALAYALAM COMMUNICATIONS LIMITED

Regd. Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O THIRUVANANTHAPURAM- 695034

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Current	Previous
Cash Flows from Operating Activates		
Net Profit Before Tax and Extra Ordinary Items	2,47,49,579.90	1,80,07,720.87
Adjustment For		
Depreciation	6,94,51,323.79	6,83,10,806.92
(Gain) or Loss of Sale of Fixed assets	-	-
Finance Charges Paid	8,85,95,007.98	10,88,23,547.17
Interest Received	-33,84,661.66	-80,24,900.27
Foreign Exchange (Gain) / Loss	-3,33,75,532.82	-1,93,30,780.89
Operating Profit Before Working Capital Changes (A)	12,12,86,137.29	14,97,78,672.93
Adjustment For working Capital Change		
Adjustment for Increase/Decrease in Programme Software, Serials & Inhouse	5,30,42,470.64	3,52,84,734.61
Adjustment for Increase/Decrease in Trade Receivables	7,47,64,746.61	11,56,69,987.37
Adjustment for Increase/Decrease in Short Term Loans & Advances	4,13,22,707.19	2,49,50,607.67
Adjustment for Increase/Decrease in Other Current Assets	-	-
Adjustment for Increase/Decrease in Long Term Loans & Advances	-3,72,70,011.03	2,50,11,454.93
Adjustment for Increase/Decrease in Other Non-Current Assets	2,61,78,889.99	-16,11,80,756.18
Adjustment for Increase/Decrease in Other Long Term Liabilities	-12,43,124.48	45,69,642.61
Adjustment for Increase/Decrease in Other Current Liabilities	-1,78,01,946.41	93,12,819.19
Adjustment for Increase/Decrease in Trade Payables	-2,52,82,569.59	-2,79,75,572.98
Total Adjustment For Working Capital (B)	11,37,11,162.92	2,56,42,917.22
Total Adjustment to reconcile profit (A+B)	23,49,97,300.21	17,54,21,590.15
Net Cash flow From operating Activities	25,97,46,880.11	19,34,29,311.02
Cash Flows from Investing Activities		
Proceeds From fixed Assets	-	-
Purchase of Fixed Assets	-11,67,27,339.23	-11,16,00,945.44
Investments	(8,35,00,000.00)	0.00
Interest received	33,84,661.66	80,24,900.27
Net Cash flow from (Used in) in Investing Activities	-19,68,42,677.57	-10,35,76,045.17
Cash Flows from Financial Activities		
Proceeds From Issuing Shares/Debentures	-	10,00,00,000.00
Proceeds From Long Term Borrowing	1,92,67,071.78	-10,48,22,668.52
Proceeds From Short Term Borrowing	-13,17,01,925.69	11,08,43,618.34
Finance Charges Paid	-8,85,95,007.98	-10,88,23,547.17
Income Tax Paid/Refund	-	-
Net Cash flow from (Used in) in Financial Activities	-20,10,29,861.89	-28,02,597.35
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-13,81,25,659.35	8,70,50,668.50
Effect of exchange rate change on cash and cash equivalents	3,33,75,532.82	1,93,30,780.89
Net increase (decrease) in cash and cash equivalents	-10,47,50,126.53	10,63,81,449.39
Cash and cash equivalents at beginning of period	14,31,14,862.48	3,67,33,413.09
Cash and cash equivalents at end of period	3,83,64,735.95	14,31,14,862.48

Auditors Report

We have examined the above Cash Flow Statements of Malayalam Communications Limited for the period ended on 31st March 2020 which are in agreement with the books and records of the company and also the Statement of Profit & Loss and Balance Sheet of the Company covered by our report of even date to the members of the company,

For **F R G ASSOCIATES**
Chartered Accountants
Sd/-

ALWYN FABER (Partner)
M. No: 201858
FRN: 008504S

Place: Thiruvananthapuram
Date: 10-07-2020

On Behalf of the Board
P.I.Mohammed Kutty - Sd/-
Chairman - DIN No.00349956

John Brittas - Sd/-
Managing Director DIN No.00338684
K.P. Sukumaran Nair - Sd/-
Company Secretary - M.No.1098

M. Venkitaraman - Sd/-
Sr. Director (Finance and Technical)

SECURED LONG TERM LOAN DETAILS

Bank Name	Syndicate Bank (Term Loan)*					
	0986	1018	0855	1045	1007	
Loan Account No.	100.00	1000	7.90	800.00	114.37	
Amount Sanctioned (Rs.in Lakhs)	20,01.15	28,04.15	06,05.15	12,11.15	31,01.15	
Sanction Date	11.55	11.55	9.70	11.55	11.55	
Current Interest Rate (%)	72	72	84	72	72	
Total Instalments (no.)	62	59	58	53	62	
Instalments Paid (no.)	10	13	26	19	10	
Instalments to be paid (no.)	1.95	1.33	0.13	13.90	2.23	
Amount of Instalment. (Rs. in Lakhs)	14.75	226.47	3.07	216.38	16.70	
Loan Outstanding (Rs. in Lakhs)						
Bank Name	Syndicate Bank (Term Loan)*State Bank Of India					
Loan Account No.	019	081		36222817407		
Amount Sanctioned (Rs.in Lakhs)	1000	6.3		1200.00		
Sanction Date	03.09.2016	30.11.2016		10.12.18		
Current Interest Rate (%)	10.85	8.75		12.3		
Total Instalments (no.)	72	84		60		
Instalments Paid (no.)	42	40		8		
Instalments to be paid (no.)	30	44		52		
Amount of Instalment. (Rs. in Lakhs)	19.33	0.10		20.00		
Loan Outstanding (Rs. in Lakhs)	522.35	3.79		851.45		

* Secured by way of Current Assets, Equipment & Machinery, Vehicle

* Repayment of Loan Instalment and Interests are Monthly

Block of Assets / Asset Group	Gross Block			Depreciation			Net Block		
	01/04/2019	31/03/2020	01/04/2019	For the Year	Residual Value Adjustment	31/03/2020	31/03/2020	31/03/2020	31/03/2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible Assets									
Land	2,84,88,811.69	-	-	-	-	-	-	2,84,88,811.69	2,84,88,811.69
Lease Hold Server	126,86,639.00	-	1,26,86,639.00	126,86,639.00	-	-	126,86,639.00	-	-
Buildings	10,26,28,139.83	-	3,71,94,230.17	32,23,786.00	-	-	4,04,18,016.17	6,22,10,123.66	6,54,33,909.66
Computer and Accessories	5,33,05,733.78	-	4,31,93,024.26	75,79,396.00	-	-	5,07,71,420.26	79,85,739.22	1,01,12,709.52
Electrical Installation	2,77,04,545.01	-	2,60,40,068.31	93,512.09	-	-	2,61,33,580.40	15,70,964.61	16,64,476.70
Air - Conditioners	79,35,374.52	-	63,57,142.37	3,72,866.23	-	-	67,30,008.60	13,28,836.98	15,78,232.15
Furniture and Fixtures	1,98,62,286.00	-	1,99,46,607.86	1,42,209.95	-	-	1,87,71,314.73	11,75,293.13	12,33,181.22
Telephone and Fax Instruments	32,25,180.39	-	37,19,720.37	26,38,644.16	-	-	28,57,831.20	8,61,889.17	5,86,536.23
Television	54,50,780.32	-	54,98,601.36	40,98,094.72	-	-	44,09,022.72	10,89,578.64	13,52,685.60
Vehicles	1,54,60,567.18	-	1,35,51,452.34	5,19,518.42	-	-	1,40,70,970.76	13,89,598.42	19,09,114.84
Office Equipment	20,43,710.50	-	19,36,044.50	3,198.00	-	-	19,39,242.50	1,04,468.00	1,07,666.00
DSNG Van	2,90,97,317.54	-	2,99,97,317.54	10,57,388.00	-	-	2,50,32,910.41	40,64,407.13	51,21,795.13
Generator	25,22,869.32	-	25,22,869.32	24,097.00	-	-	22,97,590.32	2,25,279.00	2,49,376.00
Studio and Studio Equipments	36,26,35,620.46	-	36,84,61,380.05	1,38,50,497.08	-	-	30,02,26,165.34	6,82,35,214.71	7,62,59,952.20
Intangible Assets									
Rights on Films	94,78,54,090.29	-	1,05,25,54,090.29	31,10,95,310.69	-	-	35,31,51,050.67	69,84,03,039.62	63,67,58,779.60
Grand Total	1,62,09,01,665.83	11,67,27,339.23	79,00,44,439.29	6,94,51,323.79	-	-	85,94,95,763.08	87,81,33,241.98	83,08,57,226.54
Previous Year	1,50,93,00,720.39	11,16,00,945.44	72,17,33,632.37	6,83,10,806.92	-	-	79,00,44,439.29	83,08,57,226.54	78,75,67,088.02



INDEPENDENT AUDITOR'S REPORT

To The Members of Malayalam Communications Limited

Reg.Off: 12/1681(6), Kairali Towers, Asan Square, Palayam, University P O, Thiruvananthapuram, Kerala - 695034.

Opinion

We have audited the consolidated financial statements of Malayalam Communications Limited, which comprise the consolidated balance sheet as at 31st March 2020, and the consolidated statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the financial statements of the Associate Companies (1) MCL Media Private Limited and (2) Kairali Television Private Limited, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and its cash flows for the year ended on that date.

Other Matters

We did not audit the Financial Statements/ Financial Information of Associate Companies (1) MCL Media Private Limited and (2) Kairali Television Private Limited for the year then ended on that date. Our report is not qualified in respect of other matters

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Responsibilities of Management for the Consolidated Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with

respect to the preparation of these 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.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the



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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

(A) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were

necessary for the purpose of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and according to the explanations given to us, the remuneration paid to its directors during the year is in accordance with provisions section 197 of the Companies Act, 2013.

For F R G Associates
Chartered Accountants

F.R.No: 008504S

Sd/-

CA.Alwyn Faber

Partner

M.No.201858

UDIN:20201858AAAAAU4849

Place: Thiruvananthapuram

Date: 10-07-2020



Annexure - A 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")

We have audited the internal financial controls over financial reporting of Malayalam Communications Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the consolidated 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Consolidated 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 Consolidated 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 Consolidated 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For F R G Associates
Chartered Accountants
F.R.No: 008504S
Sd/-
CA.Alwyn Faber
Partner
M.No.201858

UDIN:20201858AAAAAU4849

Place: Thiruvananthapuram

Date: 10-07-2020

MALAYALAM COMMUNICATIONS LIMITED

Regd.Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O, THIRUVANANTHAPURAM- 695034

CONSOLIDATED BALANCE SHEET AS AT 31/03/2020

	NOTES	In Rs.	
		AS AT 31/03/2020	AS AT 31/03/2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	71,26,70,390.00	71,26,70,390.00
Reserves and surplus	3	23,37,95,287.28	21,67,23,298.88
		94,64,65,677.28	92,93,93,688.88
Share application money pending allotment	4	-	-
Non-current liabilities			
Long-term borrowings	5	49,45,02,556.33	47,52,35,484.55
Other Long term liabilities	6	6,97,34,558.96	7,09,77,683.44
		56,42,37,115.29	54,62,13,167.99
Current liabilities			
Short-term borrowings	7	50,95,02,237.21	64,12,04,162.90
Trade payables	8	3,04,69,428.41	5,57,51,998.00
Other current liabilities	9	10,12,26,689.04	11,90,28,635.45
Short Term Provisions	10	-	-
		64,11,98,354.66	81,59,84,796.35
TOTAL		2,15,19,01,147.23	2,29,15,91,653.22
ASSETS			
Non-current assets			
Property, Plant and Equipment			
Tangible Assets	11	17,87,30,202.36	19,40,98,446.94
Intangible Assets	11	69,94,03,039.62	63,67,58,779.60
		87,81,33,241.98	83,08,57,226.54
Investments	12	8,60,53,096.00	10,86,194.50
Deferred tax assets (net)	13	14,16,26,713.75	15,07,71,206.75
Long Term loans and advances	14	7,49,17,913.12	3,76,47,902.09
Other Non Current Assets	16	42,24,41,517.66	44,86,20,407.65
		72,50,39,240.53	63,81,25,710.99
Current assets			
Programme software, Serials and Inhouse Production	15	15,36,03,936.84	20,66,46,407.48
Trade receivables	16	26,55,99,187.29	34,03,63,933.90
Cash and cash equivalents	17	3,83,64,735.95	14,31,14,862.48
Short-term loans and advances	18	9,01,68,640.92	13,14,91,348.11
Other current assets	19	9,92,163.72	9,92,163.72
		54,87,28,664.72	82,26,08,715.69
TOTAL		2,15,19,01,147.23	2,29,15,91,653.22

Summary of significant Accounting Policies - Note - 1

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our attached report of even date
For F R G ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 008504S

For and on behalf of the Board of Directors of
MALAYALAM COMMUNICATIONS LIMITED

Sd/-
ALWYN FABER
(PARTNER)
M.No. 201858

Sd/-
P.I.MOHAMMEDKUTTY
CHAIRMAN
DIN No. 00349956

Sd/-
JOHN BRITTAS
MANAGING DIRECTOR
DIN No. 00338684

Place: Thiruvananthapuram
Date: 10-07-2020

Sd/-
K.P. SUKUMARAN NAIR
COMPANY SECRETARY
M.No.1098

Sd/-
M. VENKITARAMAN
SR. DIRECTOR
(FINANCE & TECHNICAL)



MALAYALAM COMMUNICATIONS LIMITED

Regd. Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O, THIRUVANANTHAPURAM- 695034

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2020

	NOTES	In Rs.	In Rs.
		AS AT 31/03/2020	AS AT 31/03/2019
Revenue			
Revenue from Operations	20	53,57,74,769.39	57,54,04,757.90
Other Income	21	5,53,43,187.50	4,66,87,091.05
Total Revenue		59,11,17,956.89	62,20,91,848.95
Expenses			
Production Expenses	22	4,18,53,583.50	3,42,04,326.74
Telecast Expenses	23	4,83,08,180.04	4,72,10,976.06
Marketing Expenses	24	7,19,92,203.54	7,12,24,988.04
Employee Cost	25	9,68,55,815.00	9,07,89,541.40
Establishment Expenses	26	4,01,32,911.58	4,05,66,984.58
Finance Costs	27	8,85,95,007.98	10,88,23,547.17
Tax Expenses	28	21,43,035.00	2,64,80,850.00
Other expenses	29	28,95,753.55	25,15,491.28
Amortisation of Programme Software		10,23,59,020.71	11,23,57,405.57
Depreciation Written off	11	6,94,51,323.79	6,83,10,806.92
Total Expenses		56,45,86,834.69	60,24,84,917.76
Profit before exceptional, extraordinary and prior period items		2,65,31,122.20	1,96,06,931.19
Exceptional items		-	-
Profit before prior period items and tax		2,65,31,122.20	1,96,06,931.19
Prior Period Items		3,14,640.80	5,20,672.82
Profit before tax		2,62,16,481.40	1,90,86,258.37
Tax expense:			
Current Tax			
Deferred Tax		91,44,493.00	52,79,657.95
Profit (Loss) for the period from continuing operations		1,70,71,988.40	1,38,06,600.42
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		1,70,71,988.40	1,38,06,600.42
Dividend Paid		-	-
Net Profit / (Loss) carried to Balance Sheet		1,70,71,988.40	1,38,06,600.42
Earnings per share (Nominal Value per share is Rs.10000.00)			
Basic	30	239.55	193.73
Diluted	30	216.34	178.51

Summary of significant Accounting Policies - Note - 1

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our attached report of even date

For F R G ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 008504S

For and on behalf of the Board of Directors of

MALAYALAM COMMUNICATIONS LIMITED

Sd/-
ALWYN FABER
(PARTNER)
M.No. 201858

Sd/-
P.I.MOHAMMEDKUTTY
CHAIRMAN
DIN No. 00349956

Sd/-
JOHN BRITTAS
MANAGING DIRECTOR
DIN No. 00338684

Place: Thiruvananthapuram
Date: 10-07-2020

Sd/-
K.P. SUKUMARAN NAIR
COMPANY SECRETARY
M.No.1098

Sd/-
M. VENKITARAMAN
SR. DIRECTOR
(FINANCE & TECHNICAL)

MALAYALAM COMMUNICATIONS LIMITED

Reg: office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM,
UN IVERISTY.P.O, THIRUVANATHAPURAM - 695034.

NOTES NO.1

A. ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2020

1. Basis of Preparation

The Consolidated financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India. The company has prepared these Consolidated financial statements to comply in all material respects with the accounting standards as notified by Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, if any to the extent applicable.

The accounting policies have been consistently applied by the Company from its formation onwards and are consistent with those used in the previous year.

2. Principles of Consolidation

The Consolidated Financial Statements relate to Malayalam Communications Limited and company's share of profit/loss in its associate companies, (1) MCL Media Private Limited and (2) Kairali Television Private Limited. The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements/ Financial Information of the Associates used in the consolidation are drawn up to the reporting date as that of the company, ie., 31st March 2020.
- The Consolidated Financial Statements include the share of profit/loss of the Associate entities which has been accounted for using "equity method" as per Accounting Standard (AS) 23 — "Accounting for Investment in Associates".
- The following Associated Entities have been considered in the preparation of the Consolidated Financial Statements:

Name of Entity	%of Holding
MCL Media Private Limited	50 % (100 shares)
Kairali Television Private Limited	50 % (100 shares)

- As far as possible the Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Separate Financial Statements.

3. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's Standalone Financial Statements.



B. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

2 Share Capital Authorised	CURRENT YEAR	PREVIOUS YEAR
100000 (100000) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	1,00,00,00,000.00	1,00,00,00,000.00
Total Rs	1,00,00,00,000.00	1,00,00,00,000.00
Issued		
71267(71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00
Subscribed		
71267(71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00
Paidup		
71267 (71267) Equity Shares of Rs. 10000/- (Rs. 10000) Par Value Fully Paid up	71,26,70,390.00	71,26,70,390.00
Total Rs	71,26,70,390.00	71,26,70,390.00

For the last 5 years there are no transactions in both equity and preference shares regarding buy back, redemption, issue of bonus shares and issue of shares for a consideration other than cash. Any way the details of the last two years are shown below.

Details of Shares	CURRENT YEAR	PREVIOUS YEAR
Number of Equity Shares Bought Back	Nil	Nil
Number of Preference Shares Redeemed	Nil	Nil
Number of Equity Share Issue as Bonus Share	Nil	Nil
Number of Preference Share Issue as Bonus Share	Nil	Nil
Number of Equity Shares Allotted For Contracts Without Payment Received In Cash	Nil	Nil
Number of Preference Shares Allotted For Contracts Without Payment Received In Cash	Nil	Nil
Reconciliation	CURRENT YEAR	PREVIOUS YEAR
Number of shares at the beginning	71,267	71,267
Add : Issue	-	-
Less : Bought Back	-	-
Add : Other	-	-
Number of shares at the end	71,267	71,267

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having a par value of Rs. 10,000.00 per share. For all matters require to vote, in a shareholders meeting of the company, every holder of an equity share as reflected in the records of the company on the date of share holders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of equity shares in proportion to the number of shares held to total equity shares standing in the name of each share holder as per the register on that date. In the event of liquidation of the company, all preferential amounts if any will be discharged by the company. The remaining assets of the company shall be distributed to the share holders of the equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Share holding Patterns

The details of Shareholders holding more than 5% shares are set out below:

Sl No.	Name of Shareholder	Number and shareholding %	
		CURRENT YEAR	PREVIOUS YEAR
1	Kairali Fraction Shareholders Entitlement Trust	21077.039 (29.57%)	21077.039 (29.57%)

3 Reserve and Surplus	CURRENT YEAR	PREVIOUS YEAR
Profit and Loss Opening	21,67,23,298.88	20,29,16,698.46
Addition : Amount Transferred From Statement of Profit and Loss	1,70,71,988.40	1,38,06,600.42
Total Rs	23,37,95,287.28	21,67,23,298.88

4 Share Application Money Pending Allotment	CURRENT YEAR	PREVIOUS YEAR
Equity Share Capital Pending Allotment	-	-
Total Rs	-	-

5 Long Term Borrowings	CURRENT YEAR	PREVIOUS YEAR
Secured		
Borrowing from Banks	21,65,33,476.82	19,70,30,760.04
Unsecured		
Zero Coupon Compulsorily Convertible Debentures	27,50,00,000.00	27,50,00,000.00
Borrowing from Banks	29,69,079.51	32,04,724.51
Total Rs	49,45,02,556.33	47,52,35,484.55

Note: Secured loans are secured by a charge on Film Rights, Equipments and Vehicles.

Note: Unsecured loans from Banks are guaranteed by a Director of the Company and is secured by the deposits made by that director. Note: During the year the company has not issued any new zero coupon compulsorily convertible debentures.

Schedule of repayment and redemption for convertible debentures

Type	Number	Redeemable on	Principal Amount
Unsecured Zero Coupon Compulsorily Convertible Debentures	1000 (Opening)	11th February 2027	10,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	200 (Opening)	1st July 2027	2,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	300 (Opening)	29th May 2027	3,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	250 (Opening)	17th September 2027	2,50,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	100 (Opening)	29th May 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	100 (Opening)	29th May 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	200 (Opening)	31st July 2028	2,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	100 (Opening)	31st July 2028	1,00,00,000.00
Unsecured Zero Coupon Compulsorily Convertible Debentures	500 (Opening)	31st July 2028	5,00,00,000.00

6 Other Long Term Liabilities

Trade Payables	CURRENT YEAR	PREVIOUS YEAR
Assets and Repairs Payable	2,14,020.00	2,13,816.00
Creditors for Expenses	2,09,83,087.39	1,58,42,222.39
Creditors for Film Rights	1,26,07,514.35	1,26,07,514.35
Creditors for Programme Software	3,45,96,886.02	4,09,25,611.50
Creditors for Deposits	7,29,969.00	7,29,969.00
Other Creditors	2,50,046.00	2,50,046.00
Special Funds	2,43,572.70	2,45,072.70
News Expenses Payable	85,943.50	1,03,219.50
Vehicle Expenses Payable	23,520.00	60,212.00
Total Rs	6,97,34,558.96	7,09,77,683.44

7. Short-term borrowings

Secured	CURRENT YEAR	PREVIOUS YEAR
Overdraft from Banks	50,95,02,237.21	64,12,04,162.90
Total Rs	50,95,02,237.21	64,12,04,162.90

Note: The borrowings from Syndicate Bank is secured by a first charge on all current assets of the company, where no specific charges are created for loans taken for obtaining such assets, including film rights, television serials, debtors and equitable mortgage of land.

8 Trade Payables

Creditors Due others	CURRENT YEAR	PREVIOUS YEAR
Creditors for Programme Software	2,67,02,164.21	5,25,81,570.05
News Expenses Payable	37,67,264.20	31,70,427.95
Total Rs	3,04,69,428.41	5,57,51,998.00

9 Other Current Liabilities

	CURRENT YEAR	PREVIOUS YEAR
Assets and Repairs Payable	19,70,095.00	26,45,390.00
Credit Balance in Debtors Account	14,63,864.86	8,71,704.00
Creditors for Expenses	3,85,82,845.04	3,59,90,977.49
Creditors for Film Rights	23,01,500.00	-
Other Creditors	5,34,540.00	46,684.00
Rent Payable	11,66,772.00	13,65,438.00
Statutory Items Payable	2,98,78,561.71	3,46,12,987.69
Vehicle Expenses Payable	6,68,925.15	7,35,268.45
Unclaimed Dividend	2,08,19,183.00	2,11,53,741.00
Current Maturities of Long Term Debt	38,40,402.28	2,16,06,444.82
Total Rs	10,12,26,689.04	11,90,28,635.45

10 Short Term Provisions

Provision for Tax	CURRENT YEAR	PREVIOUS YEAR
	-	-
Total Rs	-	-

12 Investments

Non Traded, Unquoted Investment	CURRENT YEAR	PREVIOUS YEAR
Investment in Equity Shares		
Opening Carrying Amount in Kairali Television Pvt Ltd	10,74,902.00	(2,588.50)

Add: Share of Profit from Associates	12,83,476.00	10,77,490.50
Carrying amount of Investment in Associates	23,58,378.00	10,74,902.00
<i>(Original Investment in 100 Equity Share of Rs. 100 each, Fully paid at cost)</i>		
Opening Carrying Amount in MCL Media Pvt Ltd	11,292.50	10,245.50
Add: Share of Profit from Associates	1,83,425.50	1,047.00
Carrying amount of Investment in Associates	1,94,718.00	11,292.50
<i>(100 Equity share of Rs. 100 each, Fully paid at cost)</i>		
Total Investment in Equity Shares	25,53,096.00	10,86,194.50
Investment in Debentures		
Investment in Debentures of MCL		
Media Pvt Ltd	8,35,00,000.00	-
<i>(835 Number of 5% Redeemable Debentures of Rs.1,00,000 each)</i>		
Total Investment in Debentures	8,35,00,000.00	-
Total Rs	8,60,53,096.00	10,86,194.50
13 Deferred Taxes	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets		
Deferred Tax	14,16,26,713.75	15,07,71,206.75
Total Rs	14,16,26,713.75	15,07,71,206.75
14 Long-term loans and advances	CURRENT YEAR	PREVIOUS YEAR
Capital Advances		
Secured considered good		
Advance for Films	5,62,82,746.00	1,51,01,318.00
Advance to Bureau and Marketing Office	2,13,774.20	1,95,805.17
Other Advances	1,57,032.01	1,57,262.01
Security Deposits		
Secured considered good		
Other Deposits	1,47,89,902.91	1,86,40,158.91
Rent Deposits	34,74,458.00	35,53,358.00
Total Rs	7,49,17,913.12	3,76,47,902.09
15 Programme Softwares, Serials & Inhouse Production	CURRENT YEAR	PREVIOUS YEAR
Unamortised Programme Software, Serials and Inhouse Production	15,36,03,936.84	20,66,46,407.48
Total Rs	15,36,03,936.84	20,66,46,407.48
16 Trade receivables	CURRENT YEAR	PREVIOUS YEAR
Trade Receivable		
Secured, considered good		
Considered as Current Assets		
Within Six Months		
19,85,09,104.93	22,94,31,881.79	
Exceeding Six Months		
6,70,90,082.36	11,09,32,052.11	26,55,99,187.29
		34,03,63,933.90
Considered as Non Current Assets		
Exceeding One Year		
45,04,92,916.64	47,64,45,779.83	
Less: Provision for Doubtful Debts		
(2,80,51,398.98)	(2,78,25,372.18)	42,24,41,517.66
		44,86,20,407.65
Total Rs	68,80,40,704.95	78,89,84,341.55
17 Cash and cash equivalents	CURRENT YEAR	PREVIOUS YEAR
Cash in Hand	15,138.00	30,099.00
Balances With Banks		
Balance Scheduled Banks		
Current Account	47,67,745.09	35,39,147.42
Deposit Account	1,23,31,324.47	11,81,10,951.45
Earmarked balances with Banks		
Unclaimed Dividend Account	2,12,39,849.66	2,14,23,985.88
Balance Other Banks		
Current Account	10,678.73	10,678.73
Total Rs	3,83,64,735.95	14,31,14,862.48
18 Short-term loans and advances	CURRENT YEAR	PREVIOUS YEAR
Capital Advances		
Secured considered good		
Advance for Capital Work	-	15,00,000.00
Advance for Films	6,27,682.00	4,88,63,110.00
Advance for Programmes	11,53,544.32	15,52,713.30
Advance to Bureau and Marketing Office	44,799.00	33,502.03
Other Advances	23,90,394.03	22,06,231.73
Security Deposits		
Secured considered good		
Other Deposits	-	1,63,400.00
Tax Deducted at Source	2,77,95,907.03	2,47,87,744.29
Loans and advances to others		
Secured considered good		
Mat Credit Entitlement	3,84,25,564.00	3,37,66,843.00
Advance Tax	70,00,000.00	60,00,000.00
Reverse Charge Entitlement	69,30,354.54	41,55,543.12

Prepaid Expenses	58,00,396.00	84,62,260.64
Total Rs	9,01,68,640.92	13,14,91,348.11
19 Other current assets	CURRENT YEAR	PREVIOUS YEAR
Stock of Prize Materials	9,92,163.72	9,92,163.72
Total Rs	9,92,163.72	9,92,163.72
Contingent Liabilities and Commitments	CURRENT YEAR	PREVIOUS YEAR
Contingent Liabilities		
In. Rs Lacs		
In. Rs Lacs		
a) Claims against the Company not acknowledged as debt (i)	22.11	58.11
b) Gaurantees		
Bank gaurantee given to KSEB	8.00	8.00
Bank gaurantee given for arbitration procedure	42.00	42.00
Commitments		
EPCG Export Obligation in US Dollars amounting to 45773610.06 (3 Licences)		
(i) Relating to Income Tax for F.Y.2008-09, appeal pending with CIT (Appeals), Trivandrum for Rs.2.10 Lacs. Relating to FY 2012-13 appeal pending with CIT (Appeals) Trivandrum for Rs. 17.14 Lacs, Relating to FY2013-14, appeal pending with CIT (Appeals), Trivandrum. Relating to Provident Fund, appeal pending with Appellate Tribunal, New Delhi for Rs. 2.87 Lacs. The company is contesting the demand and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operation.		
ITEMS IN THE STATEMENT OF PROFIT AND LOSS		
20 TIME SALES	CURRENT YEAR	PREVIOUS YEAR
Associate Sponsorship	2,70,20,763.14	4,31,92,821.26
Branding	7,23,93,790.02	21,35,19,553.92
Co-Branding	23,96,075.00	1,27,500.00
Day Sponsorship	-	1,10,00,000.00
Day Branding	-	10,00,000.00
Kairali Online	15,83,559.44	25,81,197.92
Powered By	33,09,912.00	
Special Package	17,77,00,361.50	13,15,967.52
Sponsorship	2,94,10,952.27	9,29,91,183.01
Spot Release	18,90,66,446.32	17,34,68,067.86
Ticker	15,87,247.89	17,17,585.99
Time Slot	3,13,05,661.81	3,44,90,880.42
Total Rs	53,57,74,769.39	57,54,04,757.90
21 OTHER INCOMES	CURRENT YEAR	PREVIOUS YEAR
Award Received	15,000.00	30,000.00
Bad Debts Recovered	7,17,990.00	3,00,000.00
Content Sale	-	22,32,143.00
Duty Credit Scrip	29,50,000.00	-
Interest Received	33,84,661.66	80,24,900.27
Exchange Rate Difference	3,33,75,532.82	1,93,30,780.89
Indemnity Bond	54,166.00	1,08,718.00
Miscellaneous Income	80,000.00	5,543.00
Subscription (Channel Carriage)	1,32,98,935.52	1,55,76,468.39
Share of Profits in Associates	14,66,901.50	10,78,537.50
Total Rs	5,53,43,187.50	4,66,87,091.05
22 PRODUCTION EXPENSES	CURRENT YEAR	PREVIOUS YEAR
News and Current Affairs Production		
Expenses	1,99,14,592.83	1,65,25,716.51
Electricity Charges	1,21,41,028.20	1,00,91,303.00
News Subscription - Asian Films TV Pvt Ltd	26,97,500.58	1,54,918.00
Stringer Office Expenses	7,71,884.00	11,33,378.00
Vehicle Fuel Charges	25,71,081.75	27,99,474.16
Vehicle Hire Charges	37,57,496.14	34,99,537.07
Total Rs	4,18,53,583.50	3,42,04,326.74
23 TELECAST EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Carriage Fee Paid	76,83,989.00	74,08,750.00
O F C Charges	62,05,396.47	70,85,947.55
Space Segement Charges	27,72,913.33	33,57,951.00
VSNL Uplinking Fee	3,12,78,131.24	2,87,68,194.25
WPC Licence Fee & NOCC	3,67,750.00	5,90,133.26
Total Rs	4,83,08,180.04	4,72,10,976.06
24 MARKETING EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Advertisement Charges	2,65,000.00	2,51,500.00
Advertisement Commission Paid	23,81,722.27	42,06,200.62
Bad Debts Written Off	3,20,54,361.85	1,67,52,981.74
Provision for Bad and Doubtful Debts	2,26,026.80	77,87,547.50
Marketing Office Expenses	2,82,66,552.66	3,51,66,283.65
Subscriptions	40,22,539.96	32,34,416.53
Retainer Fee	2,76,000.00	2,76,000.00
BARC Subscription Charges	45,00,000.00	35,50,058.00
Total Rs	7,19,92,203.54	7,12,24,988.04
25 EMPLOYEE COST	CURRENT YEAR	PREVIOUS YEAR
Amenities to Staff	6,90,483.00	4,29,879.00
Contribution to Funds	66,90,794.00	67,40,164.00



Cashment of Privilege Leave	4,72,658.00	6,78,763.00
Festival Allowance	26,74,000.00	27,82,000.00
Provision for Gratuity	62,24,886.00	14,46,409.00
Staff Medical Expenses	14,91,060.00	17,74,134.40
Staff Training Expenses	6,000.00	-
Salaries and Allowances	7,86,05,934.00	7,69,38,192.00
Total Rs	9,68,55,815.00	9,07,89,541.40

26 ESTABLISHMENT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Accommodation Expenses - Directors	2,43,946.46	1,27,770.86
Accommodation Expenses - Others	1,39,216.64	1,36,454.20
AGM Expenses	3,14,897.40	4,14,120.98
Annual Maintenance Contract	92,64,905.03	89,13,690.68
Audit Expenses Re-imbursed	1,83,733.00	1,74,708.00
Audit Fees	6,50,000.00	6,50,000.00
Board and Committee Meeting Expenses	26,980.00	65,724.00
Insurance - Vehicle	2,15,162.50	1,64,859.20
Insurance - Others	15,34,831.24	14,96,716.40
Internal Audit Expenses	26,229.00	48,547.00
Internal Audit Fees	3,20,000.00	3,60,000.00
Legal Charges	11,28,900.00	5,61,548.00
Local Conveyance	2,110.00	2,436.00
Meeting Expenses	28,600.00	-
Newspapers and Periodicals	2,10,263.00	2,11,048.00
Postage Charges	2,18,295.01	1,11,272.48
Printing and Stationary	22,81,381.76	6,11,732.80
Professional Fees Paid	6,60,304.00	15,56,150.00
Rating Fees	4,80,370.40	8,86,000.00
Rent Paid	94,11,176.68	98,79,499.92
Repairs and Maintenance	38,28,774.38	54,85,598.10
Security Charges	18,30,650.00	19,78,605.93
Sitting Fees	14,000.00	30,000.00
Stipend	17,82,689.00	11,28,405.00
Taxes and Fees	8,90,807.00	8,91,459.75
Telephone Charges	24,53,865.68	21,59,756.84
Travelling Expenses - Directors	13,79,307.00	14,52,463.44

Travelling Expenses - Others	6,11,516.40	10,68,417.00
Total Rs	4,01,32,911.58	4,05,66,984.58

27 FINANCIAL EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Interest on Bank Borrowings	8,51,44,426.12	10,46,60,927.56
Bank Charges	34,41,078.86	41,54,062.61
Bank Guarantee Commission	9,503.00	8,557.00
Total Rs	8,85,95,007.98	10,88,23,547.17

28 TAX EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Tax Paid	5,400.00	6,67,298.00
Interest Paid on Delayed Payment of Income Tax	5,88,959.00	-
Interest Paid on Delayed Payment of TDS	58,439.00	47,138.00
Interest on Service Tax	20,000.00	5,72,870.00
Service Tax Paid	14,70,237.00	6,40,529.00
MAT Credit Utilised w / off	-	2,45,53,015.00
Total Rs	21,43,035.00	2,64,80,850.00

29 OTHER EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Award Expenses	2,38,000.00	4,25,000.00
Brokerage	5,000.00	-
Cleaning Charges	14,97,199.05	14,02,172.76
Customs Clearing Charges	23,226.64	40,836.52
Film Re-processing Charges	80,000.00	-
Fines, Fees and Damages	7,55,772.00	1,67,277.00
Hospitality	27,937.86	10,621.00
Miscellaneous Expenses	6,400.00	1,98,303.00
Water Charges	2,62,218.00	2,71,281.00
Total Rs	28,95,753.55	25,15,491.28

30 EARNINGS PER SHARE	CURRENT YEAR	PREVIOUS YEAR
Net Profit After Tax for Basic EPS	1,70,71,988.40	1,38,06,600.42
Net Profit After Tax for Dilutive EPS	1,70,71,988.40	1,38,06,600.42
Weighted Average Number of Equity Shares for Basic EPS	71267	71267
Weighted Average Number of Equity Shares for Dilutive EPS	78912	77344
Basic EPS	239.55	193.73
Diluted EPS	216.34	178.51

31 DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

Related Parties and Nature of Relationship

Related Parties with whom transactions have taken place during the year:

a. Key Managerial Personnel:

- 1 John Brittas - Managing Director
- 2 K P Sukumaran Nair - Company Secretary
- 3 M Venkitaraman - Senior Director (Finance and Technical)

b. Associate Enterprises

- 1 MCL Media Private Limited
- 2 Kairali Television Private Limited

The following table provides the total amount of transactions entered into with related party for the relevant Financial Year

a. Associate Enterprises

Sl no.	Name of Related Party	Nature of Transactions	Current Year	Previous Year
1	MCL Media Private Limited	Expenses met for Associate Company	3,025.00	7,600.00
2	MCL Media Private Limited	Purchase of Programme	5,10,000.00	23,000.00
3	MCL Media Private Limited	Investment in Debentures *	8,35,00,000.00	-
4	Kairali Television Private Limited	Expenses met for Associate Company	8,17,730.00	7,600.00

The following table provides the balance outstanding at the year end in associates

Sl no.	Name of Related Party	Nature of Transactions	Current Year	Previous Year
1	MCL Media Private Limited	Receivable	5,24,930.00	8,35,37,045.00
2	Kairali Television Private Limited	Receivable	8,50,330.00	32,600.00

*Note: The debentures are in the nature of 5% Redeemable Debentures. These are redeemable after 5 years from the date of issue and on maturity with a 'PUT' option to the issuer enforceable any time after one year for redemption in part or full.

Payments and Reimbursements to

Directors	CURRENT YEAR	PREVIOUS YEAR
Accommodation Expenses - Directors	2,43,946.46	1,27,770.86
Travelling Expenses - Directors	13,79,307.00	14,52,463.44
Sitting Fees	14,000.00	30,000.00

Export of services billed in

Foreign Currency	CURRENT YEAR	PREVIOUS YEAR
Time Sales		
In US Dollars	2,57,699.13	6,00,851.03
In UAE Dirhams	13,13,989.54	17,83,399.36
In Kuwaiti Dinar	2,100.00	-
In Omani Riyal	62,450.00	4,116.00
In Qatar Riyal	-	1,34,000.00
In Saudi Riyal	-	1,50,600.00
In Bahrain Dinar	10,000.00	9,600.00
Channel Subscription Charges in USD	1,87,640.39	2,35,705.80
Channel Subscription Charges in Pound	828.50	-

Payments made in

Foreign Currencies	CURRENT YEAR	PREVIOUS YEAR
Asset Purchases		
USD	-	3,725.00
EURO	3,591.00	3,150.00
Channel Carriage Fees Paid	USD 1,29,720.00	1,58,190.00
News Subscription	USD	50,589.00
Marketing Expenses	USD 10,000.00	24,000.00
Travelling Expenses Directors	AED 14,000.00	-
Travelling Expenses Directors	USD 1,135.00	4,174.00
Accommodation Expenses Directors	AED 5,877.00	-
Annual Maintenance Contract	EURO 4,500.00	13,900.00

MALAYALAM COMMUNICATIONS LIMITED

Regd. Office: 12/1681(6), KAIRALI TOWERS, ASAN SQUARE, PALAYAM, UNIVERSITY.P.O
THIRUVANANTHAPURAM- 695034

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Current	Previous
Cash Flows from Operating Activities		
Net Profit Before Tax and Extra Ordinary Items	2,62,16,481.40	1,80,07,720.87
Adjustment For		
Depreciation	6,94,51,323.79	6,83,10,806.92
(Gain) or Loss of Sale of Fixed assets	-	-
Finance Charges Paid	8,85,95,007.98	10,88,23,547.17
Interest Received	-33,84,661.66	-80,24,900.27
Foreign Exchange (Gain) / Loss	-3,33,75,532.82	-1,93,30,780.89
Operating Profit Before Working Capital Changes (A)	12,12,86,137.29	14,97,78,672.93
Adjustment For working Capital Change		
Adjustment for Increase/Decrease in Programme Software, Serials & Inhouse	5,30,42,470.64	3,52,84,734.61
Adjustment for Increase/Decrease in Trade Receivables	7,47,64,746.61	11,56,69,987.37
Adjustment for Increase/Decrease in Short Term Loans & Advances	4,13,22,707.19	2,49,50,607.67
Adjustment for Increase/Decrease in Other Current Assets	-	-
Adjustment for Increase/Decrease in Long Term Loans & Advances	-3,72,70,011.03	2,50,11,454.93
Adjustment for Increase/Decrease in Other Non-Current Assets	2,61,78,889.99	-16,11,80,756.18
Adjustment for Increase/Decrease in Other Long Term Liabilities	-12,43,124.48	45,69,642.61
Adjustment for Increase/Decrease in Other Current Liabilities	-1,78,01,946.41	93,12,819.19
Adjustment for Increase/Decrease in Trade Payables	-2,52,82,569.59	-2,79,75,572.98
Total Adjustment For Working Capital (B)	11,37,11,162.92	2,56,42,917.22
Total Adjustment to reconcile profit (A+B)	23,49,97,300.21	17,54,21,590.15
Net Cash flow From operating Activities	26,12,13,781.61	19,34,29,311.02
Cash Flows from Investing Activities		
Proceeds From fixed Assets	-	-
Purchase of Fixed Assets	-11,67,27,339.23	-11,16,00,945.44
Investments	(8,49,66,901.50)	0.00
Interest received	33,84,661.66	80,24,900.27
Net Cash flow from (Used in) in Investing Activities	-19,83,09,579.07	-10,35,76,045.17
Cash Flows from Financial Activities		
Proceeds From Issuing Shares/Debentures	-	10,00,00,000.00
Proceeds From Long Term Borrowing	1,92,67,071.78	-10,48,22,668.52
Proceeds From Short Term Borrowing	-13,17,01,925.69	11,08,43,618.34
Finance Charges Paid	-8,85,95,007.98	-10,88,23,547.17
Income Tax Paid/Refund	-	-
Net Cash flow from (Used in) in Financial Activities	-20,10,29,861.89	-28,02,597.35
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-13,81,25,659.35	8,70,50,668.50
Effect of exchange rate change on cash and cash equivalents	3,33,75,532.82	1,93,30,780.89
Net increase (decrease) in cash and cash equivalents	-10,47,50,126.53	10,63,81,449.39
Cash and cash equivalents at beginning of period	14,31,14,862.48	3,67,33,413.09
Cash and cash equivalents at end of period	3,83,64,735.95	14,31,14,862.48

Auditors Report

We have examined the above Consolidated Cash Flow Statements of Malayalam Communications Limited for the period ended on 31st March 2020 which are in agreement with the books and records of the company and also the Consolidated Statement of Profit & Loss and Balance Sheet of the Company covered by our report of even date to the members of the company,

For F R G ASSOCIATES
Chartered Accountants
Sd/-

ALINYN FABER (Partner)
M. No: 201858
FRN: 008504S

Place: Thiruvananthapuram
Date: 10-07-2020

On Behalf of the Board
P.I.MOHAMMED KUTTY - Sd/-
Chairman - DIN No.00349956

JOHN BRITTAS - Sd/-
Managing Director DIN No.00338684

K.P.SUKUMARAN NAIR - Sd/-
Company Secretary - M.No.1098

M. VENKITARAMAN - Sd/-
Sr. Director (Finance and Technical)



11. Property, Plant and Equipment

Block of Assets / Asset Group	Gross Block			Depreciation			Net Block			
	01/04/2019	Additions	Sale/Adj.	31/03/2020	01/04/2019	For the Year	Sale/Adj.	Residual Value Adjustment	31/03/2020	31/03/2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible Assets										
Land	2,84,88,811.69			2,84,88,811.69	-	-			2,84,88,811.69	2,84,88,811.69
Lease Hold Server	126,86,639.00			126,86,639.00	1,26,86,639.00	126,86,639.00		126,86,639.00	-	-
Buildings	10,26,28,139.83	-		10,26,28,139.83	3,71,94,230.17	32,23,786.00		4,04,18,016.17	6,22,10,123.66	6,54,33,909.66
Computer and Accessories	5,33,05,733.78	54,51,425.70		5,87,57,159.48	4,31,93,024.26	75,78,396.00		5,07,71,420.26	79,85,739.22	1,01,12,709.52
Electrical Installation	2,77,04,545.01	-		2,77,04,545.01	2,60,40,068.31	93,512.09		2,61,33,580.40	15,70,964.61	16,64,476.70
Air - Conditioners	79,35,374.52	1,23,471.06		80,58,845.58	63,57,142.37	3,72,866.23		67,30,008.60	13,28,836.98	15,78,232.15
Furniture and Fixtures	1,98,62,286.00	84,321.86		1,99,46,607.86	1,86,29,104.78	1,42,209.95		1,87,71,314.73	11,75,293.13	12,33,181.22
Telephone and Fax Instruments	32,25,180.39	4,94,539.98		37,19,720.37	26,38,644.16	2,19,187.04		28,57,831.20	8,61,899.17	5,86,536.23
Television	54,50,780.32	47,821.04		54,98,601.36	40,98,094.72	3,10,928.00		44,09,022.72	10,89,578.64	13,52,685.60
Vehicles	1,54,60,567.18	-		1,54,60,567.18	1,35,51,452.34	5,19,518.42		1,40,70,970.76	13,89,596.42	19,09,114.84
Office Equipment	20,43,710.50	-		20,43,710.50	19,36,044.50	3,198.00		19,39,242.50	1,04,488.00	1,07,666.00
DSNG Van	2,90,97,317.54	-		2,90,97,317.54	2,39,75,522.41	10,57,388.00		2,50,32,910.41	40,64,407.13	51,21,795.13
Generator	25,22,869.32	-		25,22,869.32	22,73,493.32	24,097.00		22,97,590.32	2,25,279.00	2,49,376.00
Studio and Studio Equipments	36,26,35,620.46	58,25,759.59		36,84,61,380.05	28,63,75,668.26	1,38,50,497.08		30,02,26,165.34	6,82,35,214.71	7,62,59,952.20
Intangible Assets										
Rights on Films	94,78,54,090.29	10,47,00,000.00		1,05,25,54,090.29	31,10,95,310.69	4,20,55,739.98		35,31,51,050.67	69,94,03,039.62	63,67,58,779.60
Grand Total	1,62,09,01,665.83	11,67,27,339.23		1,73,76,29,005.06	79,00,44,439.29	6,94,51,323.79		85,94,95,763.08	87,81,33,241.98	83,08,57,226.54
Previous Year	1,50,93,00,720.39	11,16,00,945.44		1,62,09,01,665.83	72,17,33,632.37	6,83,10,806.92		79,00,44,439.29	83,08,57,226.54	78,75,67,088.02

**MALAYALAM COMMUNICATIONS LTD,
KAIRALI TOWERS, ASAN SQUARE,
PALAYAM, UNIVERSITY P O,
THIRUVANANTHAPURAM
KERALA - 695034**