

IndiaCast UK Limited
Financial Statements
2019-20

Independent Auditors' Report

To,

The Members of Indiacast UK Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s Indiacast UK Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of changes in equity 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity 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.

Management's Responsibility 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 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 statement 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility 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.

Restrictions on Use and Distribution

This report is intended solely for the information and use of the Company, IndiaCast Media Distribution Private Limited and Deloitte Haskins & Sells in connection with the audit of the consolidated financial information of IndiaCast Media Distribution Private Limited and should not be used for any other purpose or by any other party without obtaining our prior consent in writing.

For and on behalf of
SANDIP SHAH & CO.
Chartered Accountants
Firm Reg. No.: 133680W

Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: April 20, 2020

Balance Sheet as at 31 March, 2020

	Note No.	As at 31 March, 2020 (₹ in Lakh)	As at 31 March, 2019 (₹ in Lakh)
A ASSETS			
1 Non-current assets			
a. Property, Plant and Equipment	3	1.66	1.56
b. Financials assets			
(i) Security deposits	4	6.54	6.34
		8.20	7.90
2 Current Assets			
a. Financial assets			
(i) Trade receivables	5	5,118.47	3,294.82
(ii) Cash and Cash equivalents	6	70.27	364.51
(iii) Other Financial Assets	7	454.64	271.38
b. Other current assets	8	5.80	8.12
		5,649.18	3,938.83
		5,657.38	3,946.73
B EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Equity Share capital	9	48.65	48.65
b. Other Equity		771.73	661.57
		820.38	710.22
2 Non-current liabilities			
a. Deferred tax liabilities(Net)	10	0.30	0.30
		0.30	0.30
3 Current Liabilities			
a. Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	11		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding due of creditors other than micro enterprises and small enterprises		4,523.34	2,903.32
b. Other current liabilities	12	301.03	305.06
c. Current Tax Liabilities		12.33	27.83
		4,836.70	3,236.21
		5,657.38	3,946.73

See accompanying notes forming part of the financial statements

1 to 25

In terms of our report attached

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Firm Reg. No 133680W

Sandip Shah
Proprietor
Membership No. 103125

Place: Mumbai
Date: April 20, 2020

For and on behalf of the Board of Directors of
INDIACAST UK LTD

Anuj Gandhi
Director

Place: Mumbai
Date: April 20, 2020

Statement of Profit and Loss for the year ended 31 March, 2020

	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
		(₹ in Lakh)	(₹ in Lakh)
1			
a. Revenue from operations	13	12,842.24	13,008.43
b. Other income	14	99.55	0.07
2 Total revenue		12,941.79	13,008.50
3 Expenses			
a. License fees		9,867.90	10,090.28
b. Employee benefits expense	15	610.02	485.06
c. Depreciation and amortisation expense	3	1.00	1.57
d. Other expenses	16	2,348.59	2,293.84
		12,827.51	12,870.75
4 Profit before tax (2 - 3)		114.28	137.75
5 Tax expense			
a. Current tax expense		30.54	49.79
b. Deferred tax		-	(0.24)
Net tax expense		30.54	49.55
6 Profit/ (Loss) after tax (4 - 5)		83.74	88.20
7 Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit/ (loss)		-	-
B (i) Items that will be reclassified to profit or loss		26.42	(13.20)
(ii) Income tax relating to items that will be reclassified to profit/ (loss)		-	-
8 Total Comprehensive Income for the year (Comprising Profit/(Loss) and other Comprehensive Income for the year)		110.16	75.00

See accompanying notes forming part of the financial statements

1 to 25

In terms of our report attached

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Firm Reg. No 133680W

Sandip Shah
Proprietor
Membership No. 103125

Place: Mumbai
Date: April 20, 2020

For and on behalf of the Board of Directors of
INDIACAST UK LTD

Anuj Gandhi
Director

Place: Mumbai
Date: April 20, 2020

Cash Flow Statement for the year ended 31 March, 2020

	Note No.	Year ended 31 March, 2020 (₹ in Lakh)	Year ended 31 March, 2019 (₹ in Lakh)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		114.28	137.75
Adjustments for :			
Depreciation on Property, Plant and Equipment		1.00	1.57
Provision for doubtful debts		217.55	-
Net unrealised exchange gain		2.39	(2.72)
Operating Profit before working capital changes		335.22	136.60
<u>Working Capital Adjustment</u>			
Adjustments for (increase) / decrease in Current assets:			
Trade receivables		(1,947.09)	2,108.02
Current Financial assets- others		(188.42)	256.66
Financial Assets - Deposit		(0.20)	(2.31)
Other current assets		2.32	(5.26)
Adjustments for increase / (decrease) in Current liabilities:			
Trade payables		1,547.14	(2,838.13)
Other current liabilities		(4.03)	55.56
Short-term provisions		-	-
Cash generated from operations		(255.06)	(288.86)
(Taxes paid/deducted at source)/ refund received		(46.04)	(33.68)
Net cash used in operating activities	[A]	(301.10)	(322.54)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(1.05)	(0.31)
Proceeds from sale of fixed assets		-	-
Purchase of long term investment - Subsidiaries			
Interest received			
Net cash generated from investing activities	[B]	(1.05)	(0.31)
Net (decrease) in cash and cash equivalents	[A+B]	(302.15)	(322.85)
Cash and cash equivalents as at the beginning of the year		364.51	688.86
Net Foreign Exchange difference		7.91	(1.50)
Cash and cash equivalents as at the end of the year (Refer note 6)		70.27	364.51
See accompanying notes forming part of the financial statements		1 to 25	

In terms of our report attached

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Firm Reg. No 133680W

Sandip Shah
Proprietor
Membership No. 103125

Place: Mumbai
Date: April 20, 2020

For and on behalf of the Board of Directors of
INDIACAST UK LTD

Anuj Gandhi
Director

Place: Mumbai
Date: April 20, 2020

Statement of changes in equity for the year ended 31 March, 2020

	(₹ in Lakh)
A. EQUITY SHARE CAPITAL	Total
As at 1 April 2018	48.65
Changes in Equity Share Capital During the Year (Note 9)	-
As at 31 March 2019	48.65
Changes in Equity Share Capital During the Year (Note 9)	-
As at 31 March, 2020	<u>48.65</u>

B. OTHER EQUITY (₹ in Lakh)

	Compulsorily Convertible Debentures (Unsecured)	Reserves and Surplus			Exchange differences on translating the financial statements of foreign operations	Total
		Capital reserve	Securities premium reserve	Retained earnings		
Balance as at 1 April, 2018	-	-	-	574.83	11.74	586.57
Total Comprehensive income for the Year	-	-	-	88.20	(13.20)	75.00
Restated balance as at 31 March 2019	-	-	-	663.03	(1.46)	661.57
Total Comprehensive income for the year	-	-	-	83.74	26.42	110.16
Balance as at 31 March, 2020	-	-	-	746.77	24.96	771.73

See accompanying notes forming part of the financial statements

1 to 25

In terms of our report attached

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Firm Reg. No 133680W

Sandip Shah
Proprietor
Membership No. 103125

Place: Mumbai
Date: April 20, 2020

For and on behalf of the Board of Directors of
INDIACAST UK LTD

Anuj Gandhi
Director

Place: Mumbai
Date: April 20, 2020

Notes forming part of the Financial Statements

1 Background

The Company was formed on January 22, 2013 in United Kingdom. It is a 100% subsidiary of Indiacast Media Distribution Private Limited (A Company registered under the laws of India). The Company is engaged in Advertisement Sales and Distribution of Channels of Viacom18 India and other broadcasters in UK & Europe.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, and useful life of fixed assets. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents

Cash and cash equivalents comprises of balances with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation on fixed assets is provided on the straight line method based on economic useful lives of these assets as determined by the management and are greater than the corresponding rates prescribed in Schedule II of the Companies Act, 2013:

Computer hardware	3 years
Office equipment excluding mobile phones	5 years
Furniture & Fixture	10 years

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Other income

Interest income is accounted on accrual basis. There is no interest income in the current year.

2.7 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation.

2.8 Foreign currency transactions and translations

- Initial recognition:** Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- Measurement at the balance sheet date:** Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.
- Treatment of exchange differences:** Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Notes forming part of the Financial Statements

2.9 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

(a) **Defined contribution plans:**

The Company's contribution to provident fund is considered as defined contribution plan and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees

(b) **Defined benefit plans:**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation is recognized in the balance sheet at the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

(c) **Short term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the year when the employees render the service.

(d) **Long-term Employee Benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of actuarial valuation.

2.10 Leases

INDAS 116 "Leases" became applicable to company w.e.f April 1, 2019. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset. On such assessment as on April 1, 2019 company has ascertained that no lease contract qualifies as "right of use asset" based on above parameters. Hence no asset has been recognised.

2.11 Taxes on income

Income tax comprises of current tax and deferred tax. As per UK Income tax laws the company's chargeable profit, as adjusted for tax purposes are subject to a tax of 19%.

2.12 Impairment of assets

The asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. The impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.13 Provisions and contingencies

A provision is recognised in accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

2.14 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.15 Estimation uncertainty relating to the global health pandemic

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's Financial Assets and Non-Financial Assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all its assets.

Notes forming part of the Financial Statements

3 Property, Plant and Equipment

(₹ in Lakh)

Description of Assets	Plant and Equipment	Equipments and Computer System	Furniture and Fixtures	Total
I. Gross Block				
Balance as on 1 April, 2018	1.08	11.18	0.55	12.81
FCTR	(0.02)	(0.21)	(0.01)	(0.24)
Additions	0.31	-	-	0.31
Disposals	-	-	-	-
Balance as on 31 March , 2019	1.37	10.97	0.54	12.88
FCTR	0.04	0.38	0.02	0.44
Additions	-	1.05	-	1.05
Disposals	-	-	-	-
Balance as on 31 March, 2020	1.41	12.40	0.56	14.37
II. Accumulated depreciation.				
Balance as on 1 April, 2018	0.62	9.04	0.29	9.95
Depreciation expense for the Year	0.19	1.33	0.05	1.57
FCTR	(0.01)	(0.19)	(0.01)	(0.21)
Balance as on 31 March , 2019	0.80	10.19	0.33	11.32
Depreciation expense for the Year	0.17	0.78	0.05	1.00
FCTR	0.03	0.35	0.01	0.39
Balance as on 31 March, 2020	1.00	11.32	0.39	12.71
Net block (I-II)				
Balance as on 31 March, 2020	0.41	1.08	0.17	1.66
Balance as on 31 March, 2019	0.57	0.78	0.21	1.56

Notes forming part of the Financial Statements

Note No.	Particulars	As at 31 March, 2020 (₹ in Lakh)	As at 31 March, 2019 (₹ in Lakh)
4	Financial Assets - Loans		
	a. Security deposits	6.54	6.34
5	Trade receivables (Unsecured)		
	(a) Trade Receivables considered good- Unsecured	5,118.47	3,294.82
	(b) Trade Receivables considered having significant increase in credit risk	291.27	63.67
		5,409.74	3,358.49
	Less : Allowance for receivables having significant increase in credit risk	291.27	63.67
		5,118.47	3,294.82
5.1	Movement in allowance for receivables having significant increase in credit risk		
	At the Beginning of the Year	63.67	64.90
	Movement during the Year*	227.60	(1.23)
	At the End of the Year	291.27	63.67
	*includes impact of Foreign Currency Translation		
6	Cash and cash equivalents		
	a. Balances with banks:		
	i. In current accounts	70.27	364.51
		70.27	364.51
7	Other Financial Assets (Unsecured, considered good)		
	a. Unbilled revenue	454.64	271.38
		454.64	271.38
8	Other current assets (Unsecured, considered good)		
	a. Advances to vendors	0.21	0.04
	b. Prepaid expenses	5.59	8.08
		5.80	8.12

Notes forming part of the Financial Statements

Note No.	Particulars	As at 31 March, 2020		As at 31 March, 2019	
		Number of shares	(₹ in Lakh)	Number of shares	(₹ in Lakh)
9	Share capital				
	Authorised				
	Equity Shares of £1 each	<u>60,000</u>	<u>48.65</u>	<u>60,000</u>	<u>48.65</u>
	Issued, subscribed and fully paid up:				
	Equity Shares of £1 each	<u>60,000</u>	<u>48.65</u>	<u>60,000</u>	<u>48.65</u>
	Refer notes below (i) to (iv) below:				
	(i) The Company has only one class of equity shares having a par value of £1 per share. Each holder of equity shares is entitled to one vote per shares held.				
	(ii) Details of shares held by:				
	Particulars	As at 31 March, 2020		As at 31 March, 2019	
		Number of Shares	(₹ in Lakh)	Number of Shares	(₹ in Lakh)
	Indiacast Media Distribution Private Limited	<u>60,000</u>	<u>48.65</u>	<u>60,000</u>	<u>48.65</u>
	(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
	Particulars	As at 31 March, 2020		As at 31 March, 2019	
		Number of Shares	(₹ in Lakh)	Number of Shares	(₹ in Lakh)
	Opening and Closing balance	<u>60,000</u>	<u>48.65</u>	<u>60,000</u>	<u>48.65</u>
	(iv) Details of shares held by each shareholder holding more than 5% shares :				
	Particulars	As at 31 March, 2020		As at 31 March, 2019	
		Number of Shares	% Holding	Number of Shares	% Holding
	Indiacast Media Distribution Private Limited	<u>60,000</u>	<u>100%</u>	<u>60,000</u>	<u>100%</u>

Notes forming part of the Financial Statements

Note No.	Particulars	As at 31 March, 2020 (₹ in Lakh)	As at 31 March, 2019 (₹ in Lakh)
10	Deferred Tax Liabilities		
	Property Plant & Equipment	0.30	0.30
		<u>0.30</u>	<u>0.30</u>
	The movement in deferred tax liabilities		
	Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
	At the beginning of the Year	0.30	0.54
	(Credit) / Charged to profit & Loss account	-	(0.24)
	At the End of the Year	<u>0.30</u>	<u>0.30</u>
11	Trade payables		
	a. Trade payables	<u>4,523.34</u>	<u>2,903.32</u>
12	Other current liabilities		
	a. Advances from customers	32.53	30.68
	b. Unearned Revenue	107.06	72.86
	c. Other payables		
	i. Statutory dues	79.26	117.80
	ii. Others*	82.18	83.72
	*includes Employee related payables	<u>301.03</u>	<u>305.06</u>

Notes forming part of the Financial Statements

Note No.	Particulars	Year ended 31 March, 2020 (₹ in Lakh)	Year ended 31 March, 2019 (₹ in Lakh)
13	Revenue from operations		
	a. Subscription income & Income from online services	9,662.14	9,146.09
	b. Advertisement revenue	2,239.43	2,176.83
	c. Syndication income	624.50	871.26
	d. Other operating income	316.17	814.25
		<u>12,842.24</u>	<u>13,008.43</u>
14	Other income		
	a. Miscellaneous income	99.55	0.07
		<u>99.55</u>	<u>0.07</u>
15	Employee benefits expense		
	a. Salaries and wages	603.68	482.74
	b. Staff welfare expenses	6.34	2.32
		<u>610.02</u>	<u>485.06</u>
16	Other expenses		
	a. Airtime purchased	1,766.12	1,912.55
	b. Dealer commission	28.52	6.24
	c. Rent including lease rentals	57.82	49.30
	d. Repairs and maintenance-others	0.26	0.14
	e. Insurance	0.20	0.26
	f. Legal and professional	56.47	32.72
	g. Bank charges	1.57	1.59
	h. Travelling and conveyance	37.85	53.74
	i. Advertisement, publicity and business promotion	14.64	5.59
	j. Communication expenses	3.22	3.82
	k. Rates and taxes	46.49	122.41
	l. Printing and stationery	1.11	0.97
	m. Provision for doubtful debts	217.55	-
	n. Content related expenses	5.17	12.55
	o. Loss on foreign currency transactions and translations (Net)	(78.14)	(113.88)
	p. Miscellaneous expenses	189.74	205.84
		<u>2,348.59</u>	<u>2,293.84</u>
Note:			
	Auditor's Remuneration (excluding VAT)		
	To statutory auditors		
	i. For audit	5.95	6.60
	ii. For other services	8.55	8.69
	iii. For out of pocket expenses	0.25	-
		<u>14.75</u>	<u>15.29</u>

Notes forming part of the Financial Statements

17 Related Party Disclosures as required in accordance with Ind AS-24

Details of related parties:

Description of relationship	Names of related parties
Enterprise Exercising Control	TV18 Broadcast Limited
Holding Company	Indiacast Media Distribution Private Limited
Joint Venturer of Holding Company	Viacom18 Media Private Limited
Associate of Enterprise Exercising Control	Eenadu Television Private Limited
Fellow Subsidiary	Indiacast US Ltd
Subsidiary of Enterprises Exercising Control	Panaroma Television Private Limited
Joint Venture of Enterprises Exercising Control	IBN Lokmat News Private Limited

(₹ in Lakh)

Particulars	Enterprises Exercising Control	Holding company	Joint Venturer of Holding Company	Fellow Subsidiary	Associate of TV18 Broadcast Limited	Subsidiary of Enterprises Exercising Control
Transactions with related parties during the year						
License Fee Expense						
Viacom 18 Media Private Limited	-	-	8,869	-	-	-
	(-)	(-)	(9,505)	(-)	(-)	(-)
Panaroma Television Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(147)
TV18 Broadcast Limited	699	-	-	-	-	-
	(547)	(-)	(-)	(-)	(-)	(-)
IBN Lokmat News Private Limited	-	-	-	-	-	21
	(-)	(-)	(-)	(-)	(-)	(21)
Eenadu Television Private Limited	-	-	-	-	278	-
	(-)	(-)	(-)	(-)	(282)	(-)
License Fee Income						
Indiacast US Ltd	-	-	-	7,729	-	-
	(-)	(-)	(-)	(7,194)	(-)	(-)
Ad Sales						
TV18 Broadcast Limited	-	-	-	-	-	-
	(26)	(-)	(-)	(-)	(-)	(-)
Airtime Purchased						
TV18 Broadcast Limited	32	-	-	-	-	-
	(38)	(-)	(-)	(-)	(-)	(-)
Viacom18 Media Private Limited	-	-	1,734	-	-	-
	(-)	(-)	(1,874)	(-)	(-)	(-)
Reimbursement of expenses paid						
Indiacast Media Distribution Private Limited	-	184	-	-	-	-
	(-)	(198)	(-)	(-)	(-)	(-)
Reimbursement of expenses received						
Viacom18 Media Private Limited	-	-	841	-	-	-
	(-)	(-)	(638)	(-)	(-)	(-)
Balance outstanding with related parties at year end						
Trade receivables						
Indiacast US Ltd	-	-	-	2,259	-	-
	(-)	(-)	(-)	(1,665)	(-)	(-)
Viacom18 Media Private Limited	-	-	125	-	-	-
	(-)	(-)	(99)	(-)	(-)	(-)
Trade Payables						
Viacom18 Media Private Limited	-	-	3,992	-	-	-
	(-)	(-)	(2,626)	(-)	(-)	(-)
Indiacast Media Distribution Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
TV18 Broadcast Limited	302	-	-	-	-	-
	(139)	(-)	(-)	(-)	(-)	(-)
Eenadu Television Private Limited	-	-	-	-	137	-
	(-)	(-)	(-)	(-)	(107)	(-)
IBN Lokmat News Private Limited	-	-	-	-	-	9
	(-)	(-)	(-)	(-)	(-)	(3)
Equity Share Capital						
Indiacast Media Distribution Private Limited	-	49	-	-	-	-
	(-)	(49)	(-)	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year

Notes forming part of the Financial Statements

	Year ended 31 March, 2020	Year ended 31 March, 2019
18 Taxation	(₹ in Lakh)	(₹ in Lakh)
Income tax recognised in Profit or Loss		
Current tax		
In respect of the current year	30.54	49.79
In respect of prior years	-	-
Deferred tax		
In respect of current year	-	(0.24)
Total income tax expenses recognised in the current year relating to continuing operations	30.54	49.55
The income tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	114.28	137.75
Applicable tax rate	19%	19%
Computed Tax expenses	21.71	26.17
Tax effect of:		
Tax impact on permanent disallowances	8.84	23.38
Others	(0.01)	-
	30.54	49.55
Adjustment recognised in the current year in relation to tax of prior years	-	-
Tax expenses recognised in Statement of Profit and Loss	30.54	49.55

- 19 There are no employee benefits accruing to employees except the salaries (including bonus) payable to them. Hence, Disclosures as required by Ind AS 19, Employee Benefits issued by Institute of Chartered Accountants of India are not given.

20 Earnings per share

Basic earnings per equity share have been computed by dividing net profit/loss after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The reconciliation between basic and diluted earnings per equity share is as follows :

Particulars	Units		Year ended 31 March, 2020	Year ended 31 March, 2019
Basic earnings per equity share				
Profit/ (Loss) for the year	(₹ in Lakh)	(a)	84	88
Weighted average of number of equity shares used in computing basic earnings per share	Nos.	(b)	60,000	60,000
Nominal value of equity shares	GBP		1	1
Basic earnings per equity share (a)/(b)	(₹)		139.57	147.00

21 Operating Segments Information

As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures under Ind AS 108 Operating Segments Reporting, have not been provided in these financial statements

Notes forming part of the Financial Statements

22 Capital risk management

The Company's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of Capital. The Company sets the amount of capital required on the basis of annual business plan and long-term operating plans which include capital investments. The funding requirements are primarily met through judicious mix of long-term and short-term borrowings. The Company monitors capital on basis of total debt to total equity on a periodic basis.

The following table summarizes the capital of the Company:

	As at March 31, 2020 (₹ in Lakh)	As at March 31, 2019 (₹ in Lakh)
Long term borrowings (including current maturities)	-	-
Short term borrowings	-	-
0.001% Optionally Convertible Non- Cumulative Redeemable Preference shares.	-	-
Total Debt	-	-
Equity Share Capital	49	49
Share Suspense	-	-
Other Equity	772	662
Total Equity	820	710
Debt Equity Ratio	0%	0%

During the current year, though there was no major change in the total borrowings as compared to the previous year there is no change in the debt equity ratio.

23 Financial Risk Management

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

(a) Market risk

The Company is primarily exposed to the following market risks.

(i) Currency risk

The Company is exposed to currency risk on receivables and payables that are denominated in foreign currencies.

Notes forming part of the Financial Statements

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows;

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	Equivalent (₹ in Lakh)	Foreign Currency	Equivalent (₹ in Lakh)
Trade Receivables (including advance from customers)	CAD	85,289	45	8,633	4
	EURO	1,166	1	4,256	3
	INR	525,727	5	310,542	3
	USD	5,409,801	4,097	3,468,562	2,407
Trade Payables	CAD	179,165	95	219,552	114
	EURO	2,134	2	8,362	7
	INR	120,000	1	120,000	1
	USD	4,123,655	3,123	1,706,297	1,184
Other Current Assets	CAD	222,893	119	283,022	147
	EURO	1,874	2	1,898	1
Cash and Cash equivalents	CAD	17,678	9	71,641	37
	USD	12,252	9	76,301	53

1% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in an increase/ decrease in Companies profit before tax by ₹ 11 Lakh for the year ended 31 March 2020 and by ₹ 14 Lakh for the year ended 31 March 2019. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

(ii) **Interest rate risk:**

The Company is not exposed to interest rate risk because it doesn't have any borrowing during the years

(b) **Credit Risk**

Credit risk refers to the risk that the counter party will default on its contractual obligation resulting in financial loss to the Company. The Company has adopted a policy of dealing with only credit worthy counter parties. This risk principally arises from credit exposures to customers, deposits with banks and financial institutions and other receivables.

- (i) **Trade and other receivables:** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables mainly consist of advertisement sales, subscription income and other streams of revenue. The Company has a dedicated Credit and Control team primarily responsible for monitoring credit risk and receivables. They monitor outstanding receivables along with ageing on periodic basis. For receivables pertaining to all streams of revenues, the credit and collection team regularly follows up for the collection and in rare cases of long past due, legal proceeding for recovery is initiated. Trade receivables consist of a large number of customers, representing diverse industries and geographical areas, hence the Company is not exposed to concentration risks.

(b) **Liquidity risk**

Liquidity risk refers to the risk that the Company may not be in a position to meet its financial obligations timely. Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes forming part of the Financial Statements

(₹ in Lakh)		
As at March 31, 2020	Less than 1 year	Between 1 and 5 years
Long term and short term borrowings	-	-
Interest accrued but not due	-	-
Trade Payables and accruals	4,523.34	-
	4,523.34	-
As at March 31, 2019	Less than 1 year	Between 1 and 5 years
Long term and short term borrowings	-	-
Interest accrued but not due	-	-
Trade Payables and accruals	2,903.32	-
	2,903.32	-

- 24 The financial statements were approved for issue by the board of directors on April 20, 2020
- 25 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For and on behalf of
Sandip Shah & Co
 Chartered Accountants
 Firm Reg. No 133680W

Sandip Shah
 Proprietor
 Membership No. 103125

Place: Mumbai
 Date: April 20, 2020

For and on behalf of the Board of Directors of
INDIACAST UK LTD

Anuj Gandhi
 Director

Place: Mumbai
 Date: April 20, 2020