

IndiaCast US Limited
Financial Statements
2019-20

Independent Auditor's Report

To,

The Members of Indiacast US Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s Indiacast US 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.

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- 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	7.54	8.31
b. Other Intangible assets	4	-	0.01
c. Financials assets			
(i) Security deposits	5	12.36	11.30
d. Advance income tax asset(net)		-	19.23
e. Deferred tax assets (net)	6	3.61	3.61
		23.51	42.46
2 Current Assets			
a. Financial assets			
(i) Trade receivables	7	3,090.46	2,250.09
(ii) Cash and Cash equivalents	8	157.41	76.10
(iii) Other Financial Assets	9	389.93	161.85
b. Other current assets	10	47.73	21.12
		3,685.53	2,509.16
		3,709.04	2,551.62
B EQUITY AND LIABILITIES			
1 EQUITY			
a. Equity Share capital	11	54.47	54.47
b. Other Equity		453.12	325.40
		507.59	379.87
2 LIABILITIES			
Current Liabilities			
a. Financial Liabilities			
(i) Trade payables	12		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding due of creditors other than micro enterprises and small enterprises		3,045.73	2,038.27
b. Other current liabilities	13	146.65	133.48
c. Current Tax Liabilities		9.07	-
		3,201.45	2,171.75
		3,709.04	2,551.62
See accompanying notes forming part of the financial statements	1 to 26		

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: 20 April 2020

For and on behalf of the Board of directors of
Indiacast US Ltd

Anuj Gandhi
Director
Place: Mumbai
Date: 20 April 2020

Statement of Profit and Loss for the Year Ended 31 March 2020

	Note No.	Year ended 31 March 2020 (₹ in Lakh)	Year ended 31 March 2019 (₹ in Lakh)
1 Revenue from operations	14	10,862.82	9,953.90
2 Other Income	15	37.00	-
3 Total revenue		10,899.82	9,953.90
4 Expenses			
a. License fees		7,686.73	7,202.00
b. Employee benefits expense	16	622.28	742.99
c. Depreciation and amortisation expense	3&4	1.94	1.62
d. Other expenses	17	2,464.62	1,925.46
		<u>10,775.57</u>	<u>9,872.07</u>
5 Profit before tax (3 - 4)		124.25	81.83
6 Tax expense			
a. Current tax expense		37.58	14.60
b. Deferred tax		-	6.33
Net tax expense		<u>37.58</u>	<u>20.93</u>
7 Profit after tax (5 - 6)		86.67	60.90
8 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		41.05	18.32
(ii) Income tax relating to items that will be reclassified to profit/ (loss)		-	-
9 Total Comprehensive Income for the Year		<u>127.72</u>	<u>79.22</u>
See accompanying notes forming part of the financial statements	1 to 26		

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Director
Place: Mumbai
Date: 20 April 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		124.25	81.83
Adjustments for :			
Depreciation and amortisation expense		1.94	1.62
Net unrealised exchange gain		0.83	0.01
Provision for doubtful debts		-	-
Bad and doubtful debts written off		-	-
Operating Profit before working capital changes		127.02	83.46
<u>Working Capital adjustments:</u>			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(841.20)	(150.40)
Other Financial Assets - Current		(228.08)	110.26
Financials assets		(1.06)	(0.67)
Other current assets		(26.61)	(2.84)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		1,007.46	(138.32)
Other current liabilities		13.17	63.31
Cash generated from operations		50.70	(35.20)
(Taxes paid/ deducted at source)/ Refund received (net)		(9.28)	(10.64)
Net cash used in operating activities	[A]	41.42	(45.84)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(0.46)	(1.35)
Net cash generated from investing activities	[B]	(0.46)	(1.35)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net cash from financing activities	[C]	-	-
Net Increase /(decrease) in cash and cash equivalents	[A+B+C]	40.96	(47.19)
Cash and cash equivalents as at the beginning of the year		76.10	114.09
Net Foreign Exchange difference		40.35	9.20
Cash and cash equivalents as at the end of the Period (Refer note 8)		157.41	76.10
See accompanying notes forming part of the financial statements	1 to 26		

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Place: Mumbai
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Anuj Gandhi
Director

Place: Mumbai
Date: 20 April 2020

Statement of Changes in Equity for the Year Ended 31 March 2020

	(₹ in Lakh)
A. EQUITY SHARE CAPITAL	Total
As at 01 April 2018	54.47
Changes in Equity share capital during the year (Note 11)	-
As at 31 March 2019	54.47
Changes in Equity share capital during the year (Note 11)	-
As at 31 March 2020	54.47

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	Other reserves	Retained earnings		
Balance as at 1 April 2018	-	-	-	-	233.20	12.98	246.18
Total Comprehensive income for the year	-	-	-	-	60.90	18.32	79.22
Restated balance as at 31 March 2019	-	-	-	-	294.10	31.30	325.40
Total Comprehensive income for the period	-	-	-	-	86.67	41.05	127.72
Balance as at 31 March 2020	-	-	-	-	380.77	72.35	453.12

See accompanying notes forming part of the financial statements 1 to 26

In terms of our report attached

For and on behalf of
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Firm Reg. No.: 133680W

Sandip Shah
Proprietor
Membership No.: 103125
Place: Mumbai
Date: 20 April 2020

For and on behalf of the Board of directors of
Indiacast US Ltd

Anuj Gandhi
Director

Place: Mumbai
Date: 20 April 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Background

The Company was formed on January 28, 2013 as a New Jersey corporation. 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 North America.

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 Indian GAAP 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 cash on hand and balance 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:

Office equipment excluding mobile phones	5 years
Computer hardware	3 years
Computer Software	5 years
Furniture & Fixtures	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.

Subscription fee comprises revenue from telecasting and distributing television channels, which is recognized on accrual basis when the services are provided in accordance with contractual obligations in domestic and international locations and revenues generated from internet enabled platforms.

Revenue from sale of advertising time, is recognised on accrual basis when advertisements are telecast in accordance with contractual obligations.

2.7 Other income

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

2.8 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.9 Foreign currency transactions and translations

(a) 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.

(b) 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.

(c) 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.

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. The company’s profit, as adjusted for tax purposes is subject to tax as per the USA tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed in notes. Contingent assets are not recognised in the financial statements.

2.13 Employee Benefits

The Employee benefits are accounted on accrual basis.

2.14 Operating Cycle

Based on the nature of activities of the Group, the Group 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 at 1 April 2018	1.91	3.78	8.88	14.57	
FCTR	0.12	0.23	0.56	0.91	
Additions	-	1.36	-	1.36	
Disposals	-	-	-	-	
Balance as at 31 March 2019	2.03	5.37	9.44	16.84	
FCTR	0.52	0.22	0.90	1.64	
Additions	-	0.30	0.16	0.46	
Disposals	-	-	-	-	
Balance as at 31 March 2020	2.55	5.89	10.50	18.94	
II. Accumulated depreciation					
Balance as at 1 April 2018	1.23	3.42	1.91	6.56	
FCTR	0.07	0.21	0.11	0.39	
Depreciation expense for the year	0.30	0.27	1.01	1.58	
Disposal of assets	-	-	-	-	
Balance as at 31 March 2019	1.60	3.90	3.03	8.53	
FCTR	0.17	0.42	0.35	0.94	
Depreciation expense for the Period	0.33	0.55	1.05	1.93	
Disposal of assets	-	-	-	-	
Balance as at 31 March 2020	2.10	4.87	4.43	11.40	
Net block (I-II)					
Balance as at 31 March 2020	0.45	1.02	6.07	7.54	
Balance as at 31 March 2019	0.43	1.47	6.41	8.31	
4 Intangible assets					
				(₹ in Lakh)	
Description of Assets			Computer Software	Total	
I. Gross Block					
Balance as at 1 April 2018			0.18	0.18	
FCTR			0.01	0.01	
Additions			-	-	
Disposals			-	-	
Balance as at 31 March 2019			0.19	0.19	
FCTR			0.01	0.01	
Additions			-	-	
Disposals			-	-	
Balance as at 31 March 2020			0.20	0.20	
II. Accumulated depreciation					
Balance as at 1 April 2018			0.13	0.13	
FCTR			0.01	0.01	
Depreciation expense for the year			0.04	0.04	
Disposal of assets			-	-	
Balance as at 31 March 2019			0.18	0.18	
FCTR			0.01	0.01	
Depreciation expense for the year			0.01	0.01	
Disposal of assets			-	-	
Balance as at 31 March 2020			0.20	0.20	
Net block (I-II)					
Balance as at 31 March 2020			-	-	
Balance as at 31 March 2019			0.01	0.01	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31 March 2020 (₹ in Lakh)	As at 31 March, 2019 (₹ in Lakh)
5	Financial Assets - Loans		
	a. Security deposits		
	Unsecured, considered good	12.36	11.30
		<u>12.36</u>	<u>11.30</u>
6	Deferred Tax Assets		
	Provision for Doubtful Debts	3.31	3.31
	Expenses disallowed	2.05	2.05
		<u>5.36</u>	<u>5.36</u>
	Less: Deferred Tax Liability		
	Property Plant & Equipment & intangible Assets	(1.75)	(1.75)
		<u>3.61</u>	<u>3.61</u>
6.1	In the absence of reasonable certainty that sufficient taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credit and unused tax losses can be utilised, the Company has not recognized the deferred tax assets (net) amounting to ₹ 6 lakh (Previous Year ₹ NIL) arising out of tangible assets, year end provisions including retiral provisions and other items. The same shall be reassessed at subsequent balance sheet date.		
6.2	The Movement in deferred tax assets:		
	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	At the Beginning of the Period	3.61	9.28
	(Charged)/Credit to Profit or Loss*	-	(5.67)
	At the end of the Period	<u>3.61</u>	<u>3.61</u>
7	Trade receivables (Unsecured)		
	a. Trade Receivables considered good- Unsecured	3,090.46	2,250.09
	b. Trade Receivables considered having significant increase in credit risk	17.24	15.76
		3,107.70	2,265.85
	Less : Allowance for receivables having significant increase in credit risk	17.24	15.76
	Total	<u>3,090.46</u>	<u>2,250.09</u>
	Generally Credit Period ranges from Advance to 120 Days		
7.1	Movement in allowance for receivables having significant increase in credit risk		
	At the beginning of the year	15.76	14.82
	Movement during the year*	1.48	0.94
	At the end of the year	<u>17.24</u>	<u>15.76</u>
	*includes impact of Foreign Currency Translation		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
8	Cash and cash equivalents		
	a. Balances with banks:		
	i. In current accounts	157.41	76.10
		<u>157.41</u>	<u>76.10</u>
9	Other Financial Assets (Unsecured, considered good)		
	a. Unbilled revenue	277.57	161.85
	b. Receivable from Others	112.36	-
		<u>389.93</u>	<u>161.85</u>
10	Other current assets (Unsecured, considered good)		
	a. Loans and advances to employees	6.07	4.22
	b. Advances to vendors	30.27	4.15
	c. Prepaid expenses	11.39	12.75
		<u>47.73</u>	<u>21.12</u>

Note No.	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number of shares	(₹ in Lakh)	Number of shares	(₹ in Lakh)
11	Share capital				
	Authorised				
	Equity Shares of \$1 each	<u>100,000</u>	<u>54.47</u>	<u>100,000</u>	<u>54.47</u>
	Issued, subscribed and fully paid up:				
	Equity Shares of \$1 each	<u>100,000</u>	<u>54.47</u>	<u>100,000</u>	<u>54.47</u>

Refer notes (i) to (iv) below:

(i) The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per shares held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(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 (100%)	100,000	54.47	100,000	54.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

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	100,000	54.47	100,000	54.47

(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	100,000	100%	100,000	100%

Note Particulars No.

	As at 31 March 2020	As at 31 March 2019
	(₹ in Lakh)	(₹ in Lakh)
12 Trade payables		
a. Trade payables	3,045.73	2,038.27
	<u>3,045.73</u>	<u>2,038.27</u>

13 Other current liabilities

a. Advances from customers	30.36	3.87
b. Unearned Revenue	26.70	24.40
c. Other payables		
i. Statutory dues	12.94	17.13
ii. Others*	76.65	88.08
	<u>146.65</u>	<u>133.48</u>

*includes employe related payables

Note Particulars No.

	Year ended 31 March 2020	Year ended 31 March 2019
	(₹ in Lakh)	(₹ in Lakh)
14 Revenue from operations		
a. Subscription income	8,544.12	8,109.07
b. Advertisement revenue	2,207.72	1,844.83
c. Other operating income	110.98	-
	<u>10,862.82</u>	<u>9,953.90</u>

15 Other Income

a. Other Income	37.00	-
	<u>37.00</u>	<u>-</u>

16 Employee benefits expense

a. Salaries and wages	586.16	706.92
b. Staff welfare expenses	36.12	36.07
	<u>622.28</u>	<u>742.99</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)
17	Other expenses		
	a. Airtime purchased	1,982.44	1,545.85
	b. Brokerage & Commission	165.64	48.22
	c. Rent including lease rentals	50.36	44.68
	d. Power and fuel	1.04	1.34
	e. Repairs and maintenance-others	7.17	0.13
	f. Insurance	16.58	5.45
	g. Legal and professional (Refer Note 17.1)	42.53	70.73
	h. Bank charges	5.10	5.17
	i. Travelling and conveyance	18.11	15.78
	j. Advertisement, publicity and business promotion	9.77	14.24
	k. Communication expenses	10.44	9.69
	l. Rates and taxes	7.09	3.70
	m. Printing and stationery	0.14	1.06
	n. Net loss on foreign currency transactions and translations	0.85	0.31
	o. Miscellaneous expenses	147.36	159.11
		<u>2,464.62</u>	<u>1,925.46</u>
17.1	Auditor's Remuneration (excluding taxes)		
	To statutory auditors		
	i. For audit	7.11	6.99
	ii. For other services	1.78	1.75
		<u>8.89</u>	<u>8.74</u>
		Year ended 31 March 2020	Year ended 31 March, 2019
		(₹ in Lakh)	(₹ in Lakh)
18	Taxation		
	Income tax recognised in Profit or Loss		
	Current tax		
	In respect of the current year	37.58	18.56
	In respect of prior years	-	(3.96)
	Deferred tax		
	In respect of current year	-	6.33
	Total income tax expenses recognised in the current year relating to continuing operations	<u>37.58</u>	<u>20.93</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31 March 2020	Year ended 31 March, 2019
	(₹ in Lakh)	(₹ in Lakh)
The income tax expenses for the year can be reconciled to accounting profit as follows:		
Profit before tax	124.25	81.83
Applicable tax rate	30.89%	30.00%
Computed Tax expenses	38.38	24.55
Tax effect of:		
Others (includes FCTR)	(6.59)	0.34
Adjustment of unused tax offset (refer note 6.1)	5.79	-
	<u>37.58</u>	<u>24.89</u>
Adjustment recognised in the current year in relation to tax of prior years	-	(3.96)
Tax expenses recognised in Statement of Profit and Loss	<u>37.58</u>	<u>20.93</u>
ADVANCE INCOME TAX (NET OF PROVISION)		
At Start of the year	19.23	15.27
Charge for the year	(37.58)	(14.60)
Taxes paid/ (Refund received) during the year(net) (includes FCTR)	9.28	18.56
At the end of the year	<u>(9.07)</u>	<u>19.23</u>

- 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				
(Loss)/Profit for the year	(₹ in Lakh)	(a)	86.67	60.90
Weighted average of number of equity shares used in computing basic earnings per share	Nos.	(b)	100,000	100,000
Nominal value of equity shares	USD		1	1
Basic and diluted Earning/(loss) per equity share (a)/(b)	₹		86.67	60.90

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 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
Fellow Subsidiary	Indiacast UK Ltd

(₹ in Lakh)

Particulars	Holding company	Joint Venturer of Holding Company	Enterprise Exercising Control	Fellow Subsidiary
Transactions with related parties during the period				
<u>License Fee Expense</u>				
Indiacast UK Ltd	-	-	-	7,687
	(-)	(-)	(-)	(7,202)
<u>Airtime Purchased</u>				
Viacom 18 Media Private Limited	-	1,841	-	-
	(-)	(1,479)	(-)	(-)
TV18 Broadcast Limited	-	-	141	-
	(-)	(-)	(66)	(-)
<u>Reimbursement of expenses paid</u>				
Indiacast Media Distribution Private Limited	145	-	-	-
	(151)	(-)	(-)	(-)
<u>Reimbursement of expenses Received</u>				
Viacom 18 Media Private Limited	-	195	-	-
	(-)	(78)	(-)	(-)
<u>Balance outstanding with related parties at year end</u>				
<u>Trade Payables</u>				
Viacom18 Media Private Limited	-	577	-	-
	(-)	(294)	(-)	(-)
Indiacast UK Ltd	-	-	-	2,257
	(-)	(-)	(-)	(1,659)
TV18 Broadcast Limited	-	-	70	-
	(-)	(-)	(6)	(-)
<u>Trade Receivable</u>				
Viacom18 Media Private Limited	-	26	-	-
	(-)	(8)	(-)	(-)
<u>Equity Share Capital</u>				
Indiacast Media distribution Private Limited	54	-	-	-
	(54)	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23 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 31 March 2020 (₹ in Lakh)	As at 31 March, 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	54.47	54.47
Share Suspense	-	-
Other Equity	453.12	325.40
Total Equity	507.59	379.87
Debt Equity Ratio	0%	0%

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

24 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.

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 31 March 2020		As at 31 March, 2019	
		Foreign Currency	Equivalent (₹ in Lakh)	Foreign Currency	Equivalent (₹ in Lakh)
Trade Receivables	GBP	8,795	8.25	-	-
Trade Receivables	SGD	25,508	13.51	-	-
Trade Receivables	CAD	-	-	7,525	3.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Group would result in an increase/ decrease in Group's profit before tax by ₹ 0.22 Lakh for the year ended 31 March 2020 and by ₹ 0.04 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 any interest rate risk because it doesn't have any borrowings during the year.

(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.

(c) 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.

(₹ in Lakh)

As at 31 March 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	3,046	-
	3,046	-
As at 31 March 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	2,038	-
	2,038	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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: 20 April 2020

For and on behalf of the Board of directors of
Indiacast US Ltd

Anuj Gandhi
Director
Place: Mumbai
Date: 20 April 2020