ROPTONAL LIMITED

Financial Statements
2018-19

Independent Auditor's Report To the Members of Roptonal Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Roptonal Limited (the "Company"), which are presented in pages 5 to 27 and comprise the balance sheet as at 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is 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 ISAs 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 ISAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

Independent Auditor's Report To the Members of Roptonal Limited

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 true and fair view.

We communicate with the Board of Directors 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Olga Menelaou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 4 April 2019

Statement of comprehensive income for the year ended 31 March 2019

	Note	**2019** **INR'000**	2018 INR'000
Administrative expenses	6	**(4.762)**	(3.626)
Finance income	5	**-**	23.129
Net foreign exchange transaction (losses)/gains		**(1.101)**	13.462
(Loss)/profit before income tax		**(5.863)**	32.965
Tax	7	**-**	(9.720)
(Loss)/profit for the year		**(5.863)**	23.245

The notes on pages 9 to 27 are an integral part of these financial statements.

Balance sheet at 31 March 2019

	Note	**2019 INR'000**	2018 INR'000
Assets			
Current Assets			
Financial assets at amortised cost	8	**2.980.071**	-
Other receivables	8	**-**	2.978.548
Tax refundable		**99.098**	99.098
Cash at bank	9	**134.831**	142.346
		3.214.000	3.219.992
Total assets		**3.214.000**	3.219.992
Equity and liabilities			
Capital and reserves			
Share capital	10	**539**	539
Share premium	10	**5.460.432**	5.460.432
Accumulated losses		**(2.250.020)**	(2.244.157)
Total equity		**3.210.951**	3.216.814
Current liabilities			
Other payables	11	**3.049**	3.178
Total liabilities		**3.049**	3.178
Total equity and liabilities		**3.214.000**	3.219.992

On 4 April 2019 the Board of Directors of Roptonal Limited authorised these financial statements for issue.

CCY Management Limited, Director

Pimiento Limited, Director

The notes on pages 9 to 27 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2019

	Share capital INR'000	Share premium INR'000	Accumulated losses INR'000	Total INR'000
Balance at 1 April 2017	539	5.460.432	(2.267.402)	3.193.569
Comprehensive income				
Profit and total comprehensive income for the year	-	-	23.245	23.245
Balance at 31 March 2018/1 April 2018	539	5.460.432	(2.244.157)	3.216.814
Comprehensive loss				
Loss and total comprehensive loss for the year	-	-	(5.863)	(5.863)
Balance at 31 March 2019	539	5.460.432	(2.250.020)	3.210.951

The notes on pages 9 to 27 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 March 2019

	Note	2019 INR'000	2018 INR'000
Cash flows from operating activities			
(Loss)/profit before income tax		**(5.863)**	32.965
Adjustments for:			
Finance income	5	**-**	(23.129)
		(5.863)	9.836
Changes in working capital:			
Other receivables		**(1.523)**	161
Other payables		**(129)**	(1.290)
Cash (used in)/generated from operations		**(7.515)**	8.707
Tax paid		**-**	(9.720)
Tax refund		**-**	115.349
Net cash (used in)/generated from operating activities		**(7.515)**	114.336
Cash flows from investing activities			
Finance income received	5	**-**	23.129
Net cash generated from investing activities		**-**	23.129
Net (decrease)/increase in cash and cash equivalents		**(7.515)**	137.465
Cash and cash equivalents at beginning of year		**142.346**	4.881
Cash and cash equivalents at end of year	9	**134.831**	142.346

The notes on pages 9 to 27 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Alphamega Akropolis Building, 3rd Floor, Flat/Office 401, 10 Diomidous street, CY 2024 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments, including any interest earning activities.

During 2015, Roptonal Limited merged with its subsidiary, The Indian Film Company Limited, with effect from 19 January 2015. Total assets and liabilities of the subsidiary were transferred to the Company and the investment in subsidiary and other intercompany balances were eliminated as at the date of the merger. Also with effect from the date of the merger the Company changed its functional currency from Pound Sterling to Indian Rupee, being the currency that better reflects the primary economic environment in which the entity now operates. As of 19 January 2015 Roptonal Limited continues the operations of The Indian Film Company Limited.

2 (i) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 “Financial Instruments” effective from 1 April 2018, these policies have been consistently applied to all the years presented in these financial statements unless otherwise stated (refer to section “Adoption of IFRS 9 “Financial Instruments” below). The principal accounting policies in respect of financial instruments applied until 1 April 2018 are presented in Note 2 (ii).

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2018 and are relevant to the Company’s operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Adoption of new and revised IFRSs

During the current year, the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2018. The Company adopted IFRS 9 “Financial Instruments” (“IFRS 9”) which became effective on 1 April 2018 and changed its accounting policy accordingly. The Company’s new accounting policy following the adoption of IFRS 9 at 1 April 2018 is set out in this note further.

The Company has elected the simplified approach for adoption of the new standard.

Accordingly, IFRS 9 was adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”). The impact of adoption on the opening accumulated losses was not significant to be recognised.

(i) Impact of IFRS 9 adoption

IFRS 9 became applicable for the current reporting period. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Notes to the financial statements

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVTL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading they are required to be classified at fair value through profit or loss.

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables as well as for calculating impairment on contract assets and lease receivables, which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9, the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognised in profit or loss.

Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The Company considered new classification and measurement requirements and concluded that there is no impact on the classification and measurement for financial assets and financial liabilities held. More specifically, the Company's major financial assets comprise other receivables which are required to be held at amortised cost since these are held to collect contractual cash flows and their cash flows represent solely payments of principal and interest. These classifications did not give rise to any impact on the Company's statement of financial position as of 1 April 2018.

The Company has adopted the general expected credit loss model for other receivables and cash and cash equivalents. All these instruments are considered low credit risk at 1 April 2018 and 31 March 2019 since they have a low risk of default and the debtors have a strong capacity to meet their obligation in the near term.

Based on the assessment performed by the management, the expected credit losses related to financial assets held by the Company and measured at amortised cost was not considered significant.

At 31 March 2018, all of the Company's financial liabilities were carried at amortised cost. Starting from 1 April 2018 the Company's financial laibilities continued to be classified at amortised cost.

The assessment of the impact of adoption of IFRS 9 on the Company's accounting policies and retained earnings required management to make certain critical judgments in the process of applying the principles of the new standard. The judgments that had the most significant effect on management's conclusion are disclosed in Note 4.

The following table reconciles the carrying amounts of each class of financial assets and financial liabilities as previously measured in accordance with IAS 39 and the new amounts determined upon adoption of IFRS 9 as at 1 April 2018.

Notes to the financial statements

In INR’000	Measurement Category under IAS 39	Measurement category under IFRS 9	IAS 39 carrying amount 31March 2018	IFRS 9 carrying amount 1April 2019
Financial assets				
Cash at bank	Loans and receivable	Amortised cost	142.346	142.346
Other receivables	Loans and receivable	Amortised cost	2.978.548	2.978.548
Total financial assets			**3.120.894**	**3.120.894**
Financial liabilities				
Other payables	Amortised cost	Amortised cost	3.178	3.178
Total financial liabilities			**3.178**	**3.178**

New accounting pronouncements

At the date of approval of these financial statements, a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020)*. The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance, in particular, the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.
- Amendments to IAS 1 and IAS 8: Definition of materiality (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020).* The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

* Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union.

The Company is currently assessing the impact of the adoption of the above standards and interpretations on its financial statements.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Indian Rupees (INR), which is the Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses are presented in profit or loss within “net foreign exchange transaction gains/(losses)”.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the

Notes to the financial statements

country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets. The Company’s financial assets at amortised cost comprise, “other receivables” and “cash at bank” in the balance sheet.

Financial assets – impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within “net impairment losses on financial and contract assets”.

Debt instruments measured at amortised cost are presented in the balance sheet net of the allowance for ECL.

For all financial asset at amortised cost that are subject to impairment under IFRS 9, the Company applies general approach – three-stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Company identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks with original maturities of three months or less that readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVPL.

Share capital and share premium

Ordinary shares are classified as equity.

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Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 (ii) Accounting policies before 1 April 2018

Accounting policies applicable to the comparative period ended 31 March 2018 that were amended by IFRS 9 are as follows.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise, "other receivables" and "cash at bank" in the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for loan impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include deposits held at call with banks with original maturity of three months or less.

Notes to the financial statements

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

- **Market risk**

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

At 31 March 2019, if the Indian Rupee had weakened / strengthened by 10% (2018: 10%) against the Pound Sterling with all other variables held constant, post tax loss for the year would have been INR13.395 thousand (2018: INR 13.377 thousand) lower/higher, mainly as a result of foreign exchange gains/losses on translation of Pound Sterling denominated cash balances and foreign exchange losses/gains on translation of Pound Sterling denominated payables.

At 31 March 2019, if the Indian Rupee had weakened/strengthened by 10% (2018: 10%) against the US dollars with all other variables held constant, post tax loss for the year would have been INR2.463 thousand (2018: INR 2.023 thousand) lower/higher mainly as a result of foreign exchange gains/losses on translation of US dollar denominated other receivables.

At 31 March 2019, if the Indian Rupee had weakened/strengthened by 10% (2018: 10%) against the Euro with all other variables held constant, post tax loss for the year would have been INR160 thousand (2018: INR 142 thousand) higher/lower mainly as a result of foreign exchange losses/gains on translation of US dollar denominated other payables.

The Company does not have formal policies and procedures for managing and monitoring foreign exchange risk.

- **Credit risk**

Credit risk arises from cash at bank, including deposits with banks and financial institutions and other receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only parties whom management has internally assessed as financially healthy and stable are accepted. If there is no independent rating, the management assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- Other receivables
- Cash at bank

(iii) Financial assets at amortised cost

For other receivables and cash and cash equivalents the Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk (SICR) the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

Notes to the financial statements

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increases in credit risk on other financial instruments of the same counterparty
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company uses the following categories for other receivables and cash and cash equivalents which reflect the credit risk and how the provision is determined for each of these categories. For counterparties which are externally rated, the Company uses external credit ratings.

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	**Company definition of category**	**Basis for recognition of expected credit loss provision**	**Basis for calculation of interest revenue**
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

The Company has no financial assets which are subject to impairment requirements of IFRS 9 which have had modifications to their cash flows.

Over the term of the receivables, the Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data.

Notes to the financial statements

The following tables contain an analysis of the credit risk exposure of each class of financial instrument subject to ECL allowance. The gross carrying amounts below also represent the Company's maximum exposure to credit risk on these assets as at 31 March 2019.

Other receivables from related parties:

Company internal credit rating	**Gross carrying amount**	**(Loss allowance)**	**Carrying amount (net of impairment provision)**
Performing	2.980.071	—	2.980.071
Write off	1.312	(1.312)	—

Trade receivables:

Company internal credit rating	**Gross carrying amount**	**(Loss allowance)**	**Carrying amount (net of impairment provision)**
Write off	170.449	(170.449)	—

Cash and cash equivalents:

Internal/External credit rating	**Gross carrying amount**	**(Loss allowance)**	**Carrying amount (net of impairment provision)**
AAA – A	134.831	—	134.831

The Company assessed the ECL for these balances and the identified impairment loss was immaterial.

Credit quality of financial assets as at 31 March 2018:

The amounts which corresponds to the maximum credit risk as at 31 March 2018 are INR2.978.548 thousands and INR142.346 thousands which relates to other receivables and cash at bank respectively. For other receivables and banks and financial institutions, management assesses the credit quality of the receivables and the banks, taking into account its financial position, past experience and other factors. The credit quality of the receivables and the banks used by the Company is disclosed below.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2018 INR'000
Other receivables	
Counterparties without external credit rating	
Group 1	2.978.548
Cash at bank (Moody's Credit Ratings)	
A1	142.346
Group 1 – amounts receivable from related parties	

- **Liquidity risk**

  The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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	Less than 1 year INR'000
At 31 March 2018	
Other payables	3.178

	Less than 1 year INR'000
At 31 March 2019	
Other payables	**3.049**

The Company does not have formal policies and procedures for managing and monitoring liquidity risk.

- **Financial instruments by category as at 31 March 2018**

	Loans and receivables INR'000	Total INR'000
31 March 2018		
Assets as per balance sheet		
Other receivables	2.978.548	2.978.548
Cash at bank	142.346	142.346
Total	3.120.894	3.120.894

	Liabilities at amortised cost INR'000	Total INR'000
Liabilities as per balance sheet		
Other payables	3.178	3.178

(ii) Capital risk management

Capital as defined by management at 31 March 2019 and 31 March 2018 consists of equity as shown on the face of the balance sheet.

The Company does not have formal policies and procedures for capital risk management.

(iii) Fair value estimation

The Company has no financial assets or financial liabilities measured at fair value.

The carrying value of financial assets at amortised cost, other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(iv) Offsetting financial assets and liabilities

The Company does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company

Notes to the financial statements

uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 3 Credit risk section.

5 Finance income

	2019 INR'000	2018 INR'000
Interest income	-	23.129

During the year ended 31 March 2018, the Company received a refund from the Indian tax authorities amounting to INR138.478 thousands. The amount of INR23.129 thousands relates to interest income on the refundable balance.

6 Expenses by nature

	2019 INR'000	2018 INR'000
Auditors' remuneration	**2.467**	2.480
Other expenses	**212**	182
Legal and professional fees	**101**	72
Accountancy fees	**852**	714
Overprovision of prior year accounting fees	**-**	(910)
Directors' fees (Note 13)	**281**	-
Management fees	**849**	1.088
Total administrative expenses	**4.762**	3.626

7 Income tax expense

	2019 INR'000	2018 INR'000
Current tax:		
Corporation tax	-	
Overseas tax	-	9.720
Income tax expense	-	9.720

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2019 INR'000	2018 INR'000
(Loss)/profit before tax	**(5.863)**	32.965
Tax calculated at the applicable corporation tax rate of 12,5%	**(733)**	4.120
Tax effect of expenses not deductible for tax purposes	**-**	-
Tax effect of income not subject to tax	**-**	(4.729)
Overseas tax	**-**	9.720
Tax effect of tax losses for which no deferred tax asset was recognised	**733**	609
Tax charge	**-**	9.720

The Company is subject to income tax on taxable profits at the rate of 12,5%.

As from tax year 2012 brought forward losses of only five years may be utilised.

As at 31 March 2019 and 31 March 2018, the Company had tax losses carried forward for which no deferred tax asset has been recognised as it is not probable that future taxable profits will be available against which the tax losses can be utilised.

Notes to the financial statements

8 Financial assets

(a) Trade receivables

	2019 INR'000	2018 INR'000
Current assets		
Stage 3:		
Trade receivables	**170.449**	-
Less: Provision for trade receivables	**(170.449)**	-
Total trade receivables at Stage 3 net	**-**	-

(b) Financial assets at amortised cost

	2019 INR'000	2018 INR'000
Current assets		
Stage 1:		
Receivables from parent entity (Note 13)	**784.565**	-
Receivables from entities under common control (Note 13)	**2.196.818**	-
Less: Provision for impairment of receivables (Note 13)	**(1.312)**	-
	2.980.071	-

Financial assets at amortised cost represent the funds provided to parent entity and to entities under common control receivable on demand, unsecured and with zero interest rate.

The fair values of financial assets at amortised cost approximate their carrying amounts.

There were no transfers between the stages during the year.

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2019 INR'000	2018 INR'000
Indian Rupee	**2.955.344**	-
US Dollars	**24.628**	-
Euro	**100**	-
	2980.072	-

(c) Other receivables

	2019 INR'000	2018 INR'000
Trade receivables	**-**	173.564
Less: Provision for trade receivables	**-**	(173.564)
Trade receivables - net	**-**	-
Receivables from parent entity (Note 13)	**-**	784.565
Receivables from entities under common control (Note 13)	**-**	2.195.295
Less: Provision for impairment of receivables (Note 13)	**-**	(1.312)
	-	2.978.548

Notes to the financial statements

The carrying amounts of the Company's other receivables are denominated in the following currencies:

	2019 INR'000	2018 INR'000
Indian Rupee	-	2.955.344
US Dollars	-	23.118
Euro	-	86
	-	2.978.548

9 Cash at bank

Cash and bank balances include the following for the purposes of the cash flow statement:

	2019 INR' 000	2018 INR'000
Cash and bank balances	**134.831**	142.346

Cash at bank is denominated in the following currencies:

	2019 INR'000	2018 INR'000
Pound Sterling	**134.831**	142.346

10 Share capital and share premium

	Number of shares	Share capital INR'000	Share premium INR'000	Total INR'000
At 31 March 2018/1 April 2018/31 March 2019	5.768	539	5.460.432	5.460.971

The total authorised number of ordinary shares is 9 000 shares with a par value of £0,85 per share. All issued shares are fully paid.

11 Other payables

	2019 INR'000	2018 INR'000
Other payables	**1.941**	2.027
Accrued expenses	**1.108**	1.151
	3.049	3.178

The fair value of other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	2019 INR'000	2018 INR'000
Indian Rupee	**569**	572
Euro	**1.600**	1.711
Pound sterling	**880**	895
	3.049	3.178

12 Contingent liabilities and operating risks

Tax legislation

There are transactions and calculations for which the ultimate tax determination may be uncertain based on the current Cyprus tax legislation. The Company recognises liabilities for anticipated tax issues based on estimates whether additional taxes will be due as a result of different interpretations of the Tax Legislation. Where the final tax outcome, based on the results of tax

Notes to the financial statements

audits, of the matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

13 Related party transactions

The Company is controlled by Viacom 18 Media Private Limited, incorporated in India, which owns 100% of the Company's outstanding shares. Viacom 18 Media Private Limited is controlled by Network18 Group, India (represented through TV 18 Broadcast Limited, India) which owns 51% of Viacom 18 Media Private Limited outstanding shares. The remaining 49% of Viacom 18 Media Private Limited outstanding shares are owned by Viacom Group, USA (represented through MTV Asia Ventures (India) Pte. Ltd, Mauritius and Nickelodeon Asia Holdings Pte. Ltd, Singapore).

- **Directors' remuneration**

The total remuneration of the Directors was as follows:

	2019	2018
	INR'000	INR'000
Directors' fees (Note 6)	**281**	-

- **Year end balances**

	2019	2018
	INR'000	INR'000
Receivables from related parties (Note 8):		
Parent entity	**784.565**	784.565
Entities under common control	**2.196.819**	2.195.295
Less: provisions for impairment of receivables	**(1.312)**	(1.312)
	2.980.072	2.978.548

The above balances bear no interest and are repayable on demand.

14 Events after the balance sheet date

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 2 to 4.