

VIACOM 18 MEDIA PRIVATE LIMITED
Financial Statements
2018-19

Independent Auditor's Report

To The Members of Viacom 18 Media Private Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Viacom 18 Media Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report and Annexures thereto, but does not include the standalone Ind AS financial statements and our auditor's report thereon.
- Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Standards on Auditing 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

-
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - - Refer Note 31 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Abhijit A. Damle
Partner
(Membership No. 102912)

Mumbai: April 9, 2019

Annexure B to the Independent Auditor's Report to the Members of Viacom 18 Media Private Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (ii) The Company does not have any inventory (i.e. goods) and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans or provided guarantees and securities.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues where applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - There are no cases of non-deposit with appropriate authorities of disputed dues of Customs Duty and Excise Duty. Details of dues of Income Tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes is given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (Rs. In Million) |
|----------------------|------------------|-------------------------------------|--|----------------------------------|
| Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | Financial Year 2006-07 and 2008-09 | 63.68 |
| | Income Tax | Commissioner of Income Tax (Appeal) | Financial Year 2005-06, 2011-12 to 2013-14 and 2017-18 | 1,345.38 |
| | Income Tax (FBT) | Assessment Officer | Financial Year 2005-06 | 0.26 |

| | | | | |
|-----------------------|-------------------|---|--|--------|
| Finance Act, 1994 | Service Tax | Commissioner of Service Tax | Financial Year 2005-06 to 2010-11 | 120.62 |
| | | Customs Excise and Service Tax Appellate Tribunal | Financial Year 2005-06 to 2011-12 | 264.07 |
| Maharashtra VAT Act | VAT | Joint Commissioner Sales Tax | Financial Year 2005-06 to 2008-09 and 2010-11 to 2013-14 | 47.23 |
| Uttar Pradesh VAT Act | VAT | Additional Commissioner Appeal | Financial Year 2010-11 to 2014-15 | 1.37 |
| CST Act, 1956 | Sales Tax | Joint Commissioner Sales Tax | Financial Year 2010-11 and 2012-13 | 16.11 |
| Entertainment Tax Act | Entertainment Tax | Commissioner | Financial Year 2015-16 | 31.64 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI: April 9, 2019

Balance Sheet as at March 31, 2019

| | | <i>(All amounts in Rs. million, unless otherwise stated)</i> | |
|---|-------|--|-------------------------|
| | Notes | As at March 31, 2019 | As at March 31, 2018 |
| Assets | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 861.25 | 971.22 |
| (b) Capital Work In Progress | | 194.86 | 217.56 |
| (c) Intangible Assets | 3 | 125.53 | 311.80 |
| (d) Intangible assets under development | | 102.90 | - |
| (e) Financial Assets | | | |
| (i) Investments | 4 | 3,259.53 | 3,659.53 |
| (ii) Other Financial Assets | 5 | 206.18 | 191.08 |
| (f) Deferred Tax assets (Net) | 6 | - | - |
| (g) Other Non-Current Assets | 7 | 2,500.62 | 1,825.42 |
| Total Non-Current Assets | | <u>7,250.87</u> | <u>7,176.61</u> |
| Current Assets | | | |
| (a) Inventories | 8 | 18,989.42 | 13,407.54 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 9 | 9,712.22 | 11,500.96 |
| (ii) Cash and Cash Equivalents | 10 | 549.63 | 720.24 |
| (iii) Bank Balances other than (ii) above | 10 | 0.75 | 3.06 |
| (iv) Other Financial Assets | 11 | 677.53 | 453.84 |
| (c) Other Current Assets | 12 | 1,326.95 | 1,067.01 |
| Total Current Assets | | <u>31,256.50</u> | <u>27,152.65</u> |
| Total Assets | | <u>38,507.37</u> | <u>34,329.26</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 13 | 1,137.30 | 1,137.30 |
| (b) Other Equity | 14 | 12,187.91 | 11,378.03 |
| Total Equity | | <u>13,325.21</u> | <u>12,515.33</u> |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 26.56 | 49.08 |
| (b) Provisions | 16 | 143.82 | 136.17 |
| Total Non-Current Liabilities | | <u>170.38</u> | <u>185.25</u> |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 7,495.59 | 5,703.89 |
| (ii) Trade Payables | 18 | | |
| a) Total Outstanding dues of Micro and Small enterprises | | 5.21 | - |
| b) Total Outstanding dues of creditors other than Micro and Small enterprises | | 16,585.24 | 15,036.37 |
| (iii) Other Financial Liabilities | 19 | 24.98 | 25.81 |
| (b) Other Current Liabilities | 20 | 860.76 | 837.61 |
| (c) Provisions | 21 | 40.00 | 25.00 |
| Total Current Liabilities | | <u>25,011.78</u> | <u>21,628.68</u> |
| Total Liabilities | | <u>25,182.16</u> | <u>21,813.93</u> |
| Total Equity and Liabilities | | <u>38,507.37</u> | <u>34,329.26</u> |

See accompanying notes to the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Abhijit A. Damle
Partner
Place: Mumbai
Date: 09th April 2019

For and on behalf of the Board of Directors
Sudhanshu Vats
DIN : 05234702
Managing Director & CEO
Mukesh Mundra
Chief Financial Officer
Place: Mumbai
Date: 09th April 2019
Rahul Joshi
DIN : 07389787
Director
Amit Kumar Sohni
Company Secretary
Place: Mumbai
Date: 09th April 2019

Statement of Profit and Loss for the Year ended March 31, 2019

(All amounts in Rs. million, unless otherwise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|-------|------------------------------|------------------------------|
| Value of Sales and Services | | 42,458.98 | 41,562.09 |
| Less GST Recovered | | 5,810.21 | 4,707.86 |
| Revenue From Operations | 22 | 36,648.77 | 36,854.23 |
| Other Income | 23 | 62.84 | 168.54 |
| Total Income | | 36,711.61 | 37,022.77 |
| Expenses | | | |
| Operational Expense | 24 | 28,422.46 | 28,395.59 |
| Employee Benefits Expense | 25 | 4,452.70 | 4,270.39 |
| Finance Costs | 26 | 482.40 | 500.93 |
| Depreciation and Amortisation Expense | 27 | 650.68 | 703.96 |
| Other Expenses | 28 | 1,773.75 | 2,067.07 |
| Total Expenses | | 35,781.99 | 35,937.94 |
| Profit Before Tax | | 929.62 | 1,084.83 |
| Tax Expense | 29 | | |
| Current Tax | | 153.52 | 257.15 |
| (Excess) provision for tax relating to earlier year | | (33.99) | - |
| Net Tax Expense | | 119.53 | 257.15 |
| Profit for the Year | | 810.09 | 827.68 |
| Other Comprehensive Income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Actuarial (Losses) / Gain on post retirement benefit plans | | (0.21) | 6.96 |
| | | (0.21) | 6.96 |
| Total Comprehensive Income for the Year | | 809.88 | 834.64 |
| Earning per equity share: [Nominal Value per share: Rs. 10 (Previous Year: Rs. 10)] | 30 | | |
| Basic (in Rupees) | | 7.12 | 7.28 |
| Diluted (in Rupees) | | 7.12 | 7.28 |
| See accompanying notes to the financial statements | | | |

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Abhijit A. Damle
Partner
Place: Mumbai
Date: 09th April 2019

For and on behalf of the Board of Directors
Sudhanshu Vats
DIN : 05234702
Managing Director & CEO
Mukesh Mundra
Chief Financial Officer
Place: Mumbai
Date: 09th April 2019

Rahul Joshi
DIN : 07389787
Director
Amit Kumar Sohni
Company Secretary
Place: Mumbai
Date: 09th April 2019

Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in Rs. million, unless otherwise stated)

| A. Equity Share Capital | | | | | Total |
|--|---|-----------------------|----------------------|----------------------------------|-----------|
| As at March 31, 2017 | | | | | 1,137.30 |
| Changes in Equity Share Capital during the year | | | | | - |
| As at March 31, 2018 | | | | | 1,137.30 |
| Changes in Equity Share Capital during the year | | | | | - |
| As at March 31, 2019 | | | | | 1,137.30 |
| | | | | | |
| B. Other Equity | Reserves and Surplus | | | | Total |
| | Business Reconstruc- tion Reserve | Securities Premium | Retained Earnings | Capital Redemption Reserve | |
| Balance as at the March 31, 2017 | 3,155.34 | 6,245.29 | 1,142.76 | - | 10,543.39 |
| Adjustments during the year | | | | | |
| Total Comprehensive Income for the year. | - | - | 834.64 | - | 834.64 |
| Less/Add: Capital Redemption Reserve created on account of Redemption of Optionally Convertible Redeemable Preference Shares (Refer Note 38) | - | - | (0.04) | 0.04 | - |
| Balance as at the March 31, 2018 | 3,155.34 | 6,245.29 | 1,977.36 | 0.04 | 11,378.03 |
| Adjustments during the year | | | | | |
| Total Comprehensive Income for the year | - | - | 809.88 | - | 809.88 |
| As at March 31, 2019 | 3,155.34 | 6,245.29 | 2,787.24 | 0.04 | 12,187.91 |

See accompanying notes to the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Abhijit A. Damle
Partner
Place: Mumbai
Date: 09th April 2019

For and on behalf of the Board of Directors
Sudhanshu Vats
DIN : 05234702
Managing Director & CEO
Mukesh Mundra
Chief Financial Officer
Place: Mumbai
Date: 09th April 2019
Rahul Joshi
DIN : 07389787
Director
Amit Kumar Sohni
Company Secretary
Place: Mumbai
Date: 09th April 2019

Cash Flow Statement for the year ended 31st March, 2019

(All amounts in Rs. million, unless otherwise stated)

A CASH FLOW FROM OPERATING ACTIVITIES

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--|---|
| Profit Before Tax | 929.62 | 1,084.83 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 650.68 | 703.96 |
| Provision for Gratuity | 61.69 | 96.59 |
| Provision for Doubtful Trade Receivables and Advances (net) | (218.66) | 104.86 |
| Bad Debts and Advances Written off | 70.60 | 74.74 |
| Finance Costs | 482.40 | 500.93 |
| Net Unrealised Exchange (Gain) / Loss | 44.92 | (15.61) |
| Net (Gain) on disposal of Property, Plant and Equipments and Intangible assets | (1.37) | (0.28) |
| Finance Income (Fair Value of Security Deposits) | (18.59) | (17.94) |
| Interest from Banks on Deposits | (0.13) | (0.31) |
| Interest on Income Tax Refund | (28.56) | (118.84) |
| Operating Profit Before Working Capital Changes | 1,972.60 | 2,412.93 |
| Changes In Working Capital: | | |
| Inventories | (5,581.88) | (1,401.69) |
| Other Financial Assets Non Current | 3.49 | 30.89 |
| Other Financial Assets Current | (223.70) | (365.69) |
| Other Non Current Assets | 6.23 | 197.10 |
| Other Current Assets | (259.94) | 67.66 |
| Trade Receivables | 1,891.88 | (3,444.99) |
| Trade Payable | 1,554.08 | 4,626.94 |
| Provisions | (39.25) | (23.70) |
| Other Current Liabilities | 23.15 | 159.10 |
| Cash Generated From Operations | (653.34) | 2,258.55 |
| Income Taxes (Paid) / Refund | (772.39) | 255.98 |
| Net Cash (used in) / Generated From Operating Activities | (1,425.73) | 2,514.53 |

B CASH FLOW FROM INVESTING ACTIVITIES

| | | |
|---|-----------------|-----------------|
| Capital expenditure on Property, Plant and Equipments and Intangible Assets | (442.07) | (546.33) |
| Bank balances not considered as Cash and Cash equivalents | | |
| - Matured | 2.31 | 4.65 |
| - Placed | - | (1.65) |
| Proceeds from Sale of Property, Plant and Equipments | 8.80 | 3.51 |
| Interest received | 0.14 | 0.32 |
| Proceeds from Redemption of Long term investments - Joint Venture | 400.00 | - |
| Net cash (used in) Investing Activities | (30.82) | (539.50) |

Cash Flow Statement for the year ended 31st March, 2019

(All amounts in Rs. million, unless otherwise stated)

| | | |
|--|--|--------------------------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Long-Term Borrowings | - | (602.02) |
| Net (Repayment) / Proceeds in Working Capital Borrowings | 1,791.69 | (460.47) |
| Net Proceeds / (Repayment) from Vehicle Loan | (24.88) | 31.66 |
| Finance costs | (480.87) | (510.39) |
| Net cash Generated / (used in) From Financing Activities | <u>1,285.94</u> | <u>(1,541.22)</u> |
| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| Net (Decrease) / Increase in Cash And Cash Equivalents (A+B+C) | <u>(170.61)</u> | <u>433.81</u> |
| Cash and Cash equivalents at the beginning of the year | <u>720.24</u> | <u>286.43</u> |
| Cash and cash equivalent at end of Year (refer note below) | <u>549.63</u> | <u>720.24</u> |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Particulars | As at March 31, 2019 | As at March 31, 2018 |
| Cash and bank balances as per Balance Sheet (Refer Note 10) | 550.38 | 723.30 |
| Less:- Fixed Deposits with original maturity of more than 3 months | 0.75 | 3.06 |
| Cash and cash equivalents as at end of the Year | <u>549.63</u> | <u>720.24</u> |

See accompanying notes to the financial statement

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Abhijit A. Damle
Partner
Place: Mumbai
Date: 09th April 2019

For and on behalf of the Board of Directors

Sudhanshu Vats
DIN : 05234702
Managing Director & CEO
Mukesh Mundra
Chief Financial Officer
Place: Mumbai
Date: 09th April 2019

Rahul Joshi
DIN : 07389787
Director
Amit Kumar Sohni
Company Secretary
Place: Mumbai
Date: 09th April 2019

Notes to the Financial Statements for the year ended March 31, 2019

1 General Information

Viacom 18 Media Private Limited (the “Company”) is incorporated in India under the provisions of Companies Act, 1956 as amended, modified, replaced from time to time, as a private limited Company. The Company is a subsidiary of TV18 Broadcast Limited (representing Network18 Group, India) which owns 51% of Equity Shares, 41% of Equity shares are owned by MTV Asia Ventures (India) Pte Ltd, Mauritius and remaining 8% equity shares are owned by Nickloden Aisa Holdings Pte Ltd, Singapore (together representing Viacom Inc. Group, USA)

The Company is engaged in the business of broadcasting of televisions channels, distributing, marketing and selling commercial advertising on ‘channels’ - Colors, Rishtey, Rishtey Cineplex, MTV, MTV Beats, Nick, Nick Jr., Sonic, VH1, Comedy Central, Colors Infinity and regional bouquet of channels. Additionally, the Company also generates revenue from licensing and merchandising of products, brand solutions, organising live events, Over The Top and digital content delivery platform and marketing partnerships. The Company is also in the business of production and distribution of motions pictures.

2 Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Adoption of new and revised Ind AS

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers to existing Ind AS. This amendment is applicable to the Company from April 01, 2018 and the Company has assessed the implications of this new accounting standard and concluded that there is no impact in the financial statements.

Accounting Standards issued but not effective

On March 28, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which shall be applicable to the Company from April 01, 2019. Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. The Company is in the process of evaluating the impact of Ind AS 116 on the financial statement.

2.3 Use of Estimates

The preparation of the financial statements 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. 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.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment, which can be reasonably measured, is recognised as an asset, when the future economic benefits associated with the item will flow to the entity. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Projects under which assets are not ready for their intended use are shown as Capital Work -in-Progress.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life assessed, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating

Notes to the financial statements for the year ended 31 March 2019

conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc: The estimated useful lives residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. The estimated useful lives of the property, plant and equipment are as follows.

| Asset | Useful Life | Useful Life (Previous year) |
|---|--------------------|--|
| Furniture and Fixtures | 10 years | 5 years |
| Plant and Machinery (includes Studio Equipment & Audio Video Equipment) | 10 years | 5 years |
| Equipments and Computer system: | | |
| - Computer Hardware | 3 years | 3 years |
| - Office Equipments | 5 years | 5 years |
| Leasehold Improvements | 3 years * | 3 years * |
| Motor Vehicles | 4 years | 4 years |

* 3 years or lease period whichever is less

IRD Boxes are fully depreciated at the time of capitalisation (untill previous year depreciated over a period of 5 years)

Fixed Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

During the year, the Company has changed the estimates of useful life of certain Property, Plant and Equipments to realign the same with Parent Company and the impact of change in estimates is not material.

2.5 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The useful lives and the amortisation method are reviewed at the end of each reporting period , with the effect of any changes in the estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of the intangible assets are as follows.

| Asset | Useful Life |
|-----------------------------------|--------------------|
| Computer Software | 3 years |
| Electronic Programming Guide Slot | 5 years |

2.6 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term or where rentals are structured solely to increase in line with expected general inflation, such increases are recognised in the year in which they accrue.

2.7 Impairment of non-financial assets

Assessment is done at the end of each reporting period as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at end of each reporting period as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

Notes to the Financial Statements for the year ended March 31, 2019

2.8 *Foreign Currency Transactions and Translations*

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of the reporting period. Exchange differences on restatement / settlement of all monetary items are recognised in the Statement of Profit and Loss.

2.9 *Inventories*

Inventories are valued at cost or net realisable value, whichever is less. The Company evaluates the realizable value and / or revenue potential of inventory based on the type of programming assets. Cost of shows, events and films are expensed off based on the expected pattern of realisation of economic benefits.

Acquired rights of shows and music rights are amortised evenly over the license period.

The Company evaluates the realizable value and /or revenue potential of inventory on an ongoing basis and appropriate write down is made in cases where accelerated write down is warranted.

2.10 *Revenue recognition*

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. Under Ind AS 115 the Company needs to evaluate if a format or licence represents a right to access the content (revenue recognised over time) or represents a right to use the content (revenue recognised at a point in time). The Company has determined that most of the formats and licence revenue are satisfied at a point in time due to their being limited ongoing involvement in the end use of the license following its transfer to the customer.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration based on the achievement of agreed targets. Variable consideration is not recognised until the performance obligations are met. Revenue is stated exclusive of GST and other taxes.

Following are the revenue recognition principles for major streams of business:

- Revenue from the sale of air time (net of trade discount, as applicable) is recognised on telecast of advertisements.
- Revenue from distribution of a satellite channel is recognised upon the right to receive the subscription as per the terms of the respective agreements.
- Revenue from Licensing and merchandising are recognised once the performance obligation in the contract has been performed and is allocated to the identified performance obligations
- Revenue from licensing of content is recognised in accordance with the licensing agreement on right to use the content.
- Revenue from theatrical distribution of movies is recognised in accordance with the licensing agreement as the films are screened.

2.11 *Other Income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income is recognised when the right to receive dividend is established.

2.12 *Employee Benefits*

Defined Contribution Plan:

Provident Fund: Contribution towards provident fund is made to the regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions

Notes to the financial statements for the year ended 31 March 2019

made on a monthly basis and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan:

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972 as amended. The Gratuity Plan provides a lump sum payment to vested employees at the time of separation, retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Plan assets are measured at fair value as at the Balance Sheet date. Actuarial losses/gains comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in other comprehensive income in the year in which they are remeasured.

2.13 *Borrowing costs*

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.14 *Taxes on Income*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or in equity. *Current tax* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit is recognised as deferred tax asset only to the extent when there is convincing evidence that the Company will pay normal income tax during the specified period. Deferred tax assets are reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.15 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted represent present value of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not recognised or disclosed in the financial statements.

2.16 *Segment Reporting*

An operating segment is a component of the Company that engages in business activities from which it earns revenues and

Notes to the Financial Statements for the year ended March 31, 2019

incurs expenses, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker to make decisions about resources to be allocated to the segments and assess their performance.

2.17 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits which are short term balances having maturity of upto three months with banks. They are liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Cash Flow Statements

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.

2.20 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in profit or loss.

Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries, Associates and Joint Ventures are carried at cost as per IND AS 27 except for certain investments that are measured at fair values.

For financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Notes to the financial statements for the year ended 31 March 2019

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost.
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.21 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Depreciation / amortisation and useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment are depreciated over their estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on technical advice and the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to the financial statements

3 Property, Plant and Equipment

| Description of Assets | Leasehold Improvements | Plant and Equipment | Integrated Receiver Decoders | Equipments and Computer System | Furniture and Fixtures | Vehicles | Total |
|-------------------------------------|------------------------|---------------------|------------------------------|--------------------------------|------------------------|----------------|-------------------|
| I Gross Block | | | | | | | |
| Balance as on April 1, 2017 | 461.31 | 658.15 | 409.54 | 558.78 | 69.22 | 56.06 | 2,213.06 |
| Additions | 7.82 | 160.72 | 25.04 | 176.29 | 9.60 | 46.08 | 425.55 |
| Disposals | - | - | (3.89) | (6.41) | (1.05) | - | (11.35) |
| Balance as on March 31, 2018 | 469.13 | 818.87 | 430.69 | 728.66 | 77.77 | 102.14 | 2,627.26 |
| Additions | 46.95 | 128.29 | 22.10 | 134.02 | 4.13 | 7.89 | 343.38 |
| Disposals | (5.44) | (3.26) | - | (56.43) | (2.55) | (13.93) | (81.61) |
| Balance as on March 31, 2019 | 510.64 | 943.90 | 452.79 | 806.25 | 79.35 | 96.10 | 2,889.03 |
| II. Accumulated depreciation | | | | | | | |
| Balance as on April 1, 2017 | (271.32) | (312.90) | (282.70) | (283.56) | (34.16) | (13.67) | (1,198.31) |
| Depreciation expense for the year | (96.54) | (136.50) | (48.02) | (155.26) | (10.49) | (19.04) | (465.85) |
| Disposal | - | - | 0.90 | 6.17 | 1.05 | - | 8.12 |
| Balance as on March 31, 2018 | (367.86) | (449.40) | (329.82) | (432.65) | (43.60) | (32.71) | (1,656.04) |
| Depreciation expense for the year | (73.70) | (56.40) | (122.97) | (163.59) | (4.40) | (24.74) | (445.80) |
| Disposal | 5.44 | 3.04 | - | 56.22 | 2.45 | 6.91 | 74.06 |
| Balance as on March 31, 2019 | (436.12) | (502.76) | (452.79) | (540.02) | (45.55) | (50.54) | (2,027.78) |
| Net block (I-II) | | | | | | | |
| Balance as on March 31, 2019 | 74.52 | 441.14 | - | 266.23 | 33.80 | 45.56 | 861.25 |
| Balance as on March 31, 2018 | 101.27 | 369.47 | 100.87 | 296.01 | 34.17 | 69.43 | 971.22 |

3 Intangible assets

| Description of Assets | Computer Software | Electronic Programming guide | Total |
|-------------------------------------|-------------------|------------------------------|-----------------|
| I. Intangible Assets | | | |
| Balance as on April 1, 2017 | 789.25 | 15.42 | 804.67 |
| Additions | 38.34 | - | 38.34 |
| Disposals | (13.65) | - | (13.65) |
| Balance as on March 31, 2018 | 813.94 | 15.42 | 829.36 |
| Additions | 18.61 | - | 18.61 |
| Disposal | (0.48) | - | (0.48) |
| Balance as on March 31, 2019 | 832.07 | 15.42 | 847.49 |
| II. Accumulated Amortisation | | | |
| Balance as on April 1, 2017 | (278.42) | (14.68) | (293.10) |
| Amortisation expense for the year | (237.37) | (0.74) | (238.11) |
| Disposal | 13.65 | - | 13.65 |
| Balance as on March 31, 2018 | (502.14) | (15.42) | (517.56) |
| Amortisation expense for the year | (204.88) | - | (204.88) |
| Disposal | 0.48 | - | 0.48 |
| Balance as on March 31, 2019 | (706.54) | (15.42) | (721.96) |
| Net block (I-II) | | | |
| Balance as on March 31, 2019 | 125.53 | - | 125.53 |
| Balance as on March 31, 2018 | 311.80 | 0.00 | 311.80 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| 4 Investments | As at March 31, 2019 | As at March 31, 2018 |
|--|---------------------------------|---------------------------------|
| <i>Investment in equity instruments and debt instruments(Fully paid up, unquoted at cost, unless stated otherwise)</i> | | |
| (i) of Subsidiaries: | | |
| 2,951 equity shares (March 31, 2018: 2,951) of GBP 1 each held in Viacom18 Media (UK) Ltd | 0.24 | 0.24 |
| 100 equity shares (March 31, 2018: 100) of USD 0.01 each held in Viacom18 US Inc. | 0.24 | 0.24 |
| 5,768 equity shares (March 31, 2018: 5,768) of GBP 0.85 each held in Roptonal Limited, Cyprus | 3,185.63 | 3,185.63 |
| (ii) of Joint venture (IndiaCast Media Distribution Private Limited); | | |
| 228,000 equity shares (March 31, 2018: 228,000) of Rs. 10 each; | 73.42 | 73.42 |
| (iii) 40,000,000 Compulsory Convertible Debentures (March 31, 2018: 40,000,000) of Rs.10 each. (Refer Note 4.1) | - | 400.00 |
| Total | <u>3,259.53</u> | <u>3,659.53</u> |
| 4.1 During the current year, with the consent of the Board of Directors of IndiaCast Media Distribution Private Limited ('IndiaCast') on August 10, 2018 and subject to the necessary approvals from the Shareholders and Debenture holders, which were received by IndiaCast on September 20, 2018, Investment in IndiaCast's 'Compulsory Convertible Debentures' of Rs. 10/- each was converted to 'Non-Convertible Redeemable Debentures' of Rs. 10/- each and later on fully redeemed on September, 24 2018. | | |
| 5 Other Financial Assets (Non - Current) | As at March 31, 2019 | As at March 31, 2018 |
| Security Deposits | 206.18 | 191.08 |
| Total | <u>206.18</u> | <u>191.08</u> |
| 6 Deferred Tax Assets (Net) | As at March 31, 2019 | As at March 31, 2018 |
| Deferred Tax Liability | | |
| Inventory Amortisation | 867.21 | 852.60 |
| Less : Deferred Tax Assets (Refer note 6.1) | | |
| Provision for Doubtful Debts | 248.01 | 324.34 |
| Expenses disallowed under section 40(a) allowable in later years | 619.20 | 528.26 |
| | <u>867.21</u> | <u>852.60</u> |
| Net Deferred Tax Assets | <u>-</u> | <u>-</u> |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

6.1 Recognition of Deferred Tax Asset is restricted to Deferred Tax Liability.

| The movement in deferred tax asset and liabilities: | As at March 31, 2018 | Credited / (charge) to Income statement / OCI | As at March 31, 2019 |
|--|-------------------------|---|-------------------------|
| Deferred Tax assets: | | | |
| Provision for Doubtful Debts | 324.34 | (76.33) | 248.01 |
| Expenses disallowed under section 40(a) allowable in later years | 528.26 | 90.94 | 619.20 |
| Total | 852.60 | 14.61 | 867.21 |
| Deferred Tax liabilities: | | | |
| Expenses (Inventory Amortisation) | 852.60 | 14.61 | 867.21 |
| Total | 852.60 | 14.61 | 867.21 |
| Net deferred tax assets | - | - | - |

| The movement in deferred tax asset and liabilities: | As at March 31, 2017 | Credited / (charge) to Income statement / OCI | As at March 31, 2018 |
|--|-------------------------|---|-------------------------|
| Deferred Tax assets: | | | |
| Provision for Doubtful Debts | 288.06 | 36.28 | 324.34 |
| Expenses disallowed under section 40(a) allowable in later years | 443.87 | 164.15 | 528.26 |
| Total | 731.93 | 120.67 | 852.60 |
| Deferred Tax liabilities: | | | |
| Expenses (Inventory Amortisation) | 731.93 | 120.67 | 852.60 |
| Total | 731.93 | 120.67 | 852.60 |
| Net deferred tax assets | - | - | - |

- 6.2 The unrecognised deferred tax asset on unused tax losses and MAT credits having expiry period from assessment year 2021-2022 to 2033-2034 amounts to Rs. 1,852.35 million (March 31, 2018 Rs. 1,686.76 million) and other items with no expiry date amounts to Rs. 2,738.19 million (March 31, 2018 Rs. 1,039.26 million).

7 Other Non-current Assets

| | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| Capital Advances | 15.89 | 2.50 |
| Prepaid Rent | 35.45 | 51.82 |
| Advances to subsidiary companies (Refer Note 34) | - | 3.25 |
| Advance Income Tax (Net of provision of Rs. 1,839.85 million, March 31, 2018; Rs. 1,720.33 million) | 2,413.83 | 1,732.40 |
| Advances to Vendors | | |
| Considered Good | 35.45 | 35.45 |
| Doubtful | 207.39 | 198.60 |
| Total | 242.84 | 234.05 |
| Less: Credit Impaired (Refer Note 7.1) | (207.39) | (198.60) |
| | 35.45 | 35.45 |
| Total | 2,500.62 | 1,825.42 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| 7.1 Movement in the allowance for Advances to Vendors | | |
| At the beginning of the year | 198.60 | 198.60 |
| Movement during the year | 8.79 | - |
| At the end of the year | <u>207.39</u> | <u>198.60</u> |
| 8 Inventories | | |
| Programming and Film Rights | 13,107.07 | 10,162.77 |
| Projects in Progress | 5,882.35 | 3,244.77 |
| Total | <u>18,989.42</u> | <u>13,407.54</u> |
| 9 Trade Receivables | | |
| Unsecured, considered good | 9,712.22 | 11,500.96 |
| Unsecured, considered doubtful | 709.73 | 937.18 |
| Trade Receivables | 10,421.95 | 12,438.14 |
| Less: Credit Impaired (basis Expected Credit Loss) (Refer Note 9.1) | 709.73 | 937.18 |
| Total | <u>9,712.22</u> | <u>11,500.96</u> |
| Generally credit period ranges from advance to 60 days | | |
| 9.1 Movement in the allowance for doubtful trade receivables | | |
| At the beginning of the year | 937.18 | 832.32 |
| Movement during the year | (227.45) | 104.86 |
| At the end of the year | <u>709.73</u> | <u>937.18</u> |
| 10 Cash and Cash Equivalents | | |
| Bank balances | | |
| In current accounts | 549.63 | 720.24 |
| Total | <u>549.63</u> | <u>720.24</u> |
| 10 Bank balances other than above | | |
| Other Bank balances | | |
| In deposits (Refer note 10.1) | 0.75 | 3.06 |
| Total | <u>0.75</u> | <u>3.06</u> |

10.1 Fixed Deposits for previous year are provided as security against non-fund based and fund-based credit facilities.

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| | | | | |
|------------|--|--|---------------------------------|---------------------------------|
| 11 | Other Financial Assets (Current) | | As at March 31, 2019 | As at March 31, 2018 |
| | Security Deposits | | 24.39 | 20.35 |
| | Interest accrued on bank deposits | | - | 0.01 |
| | Accrued Revenue | | 653.14 | 433.48 |
| | Total | | 677.53 | 453.84 |
| 12 | Other Current Assets | | As at March 31, 2019 | As at March 31, 2018 |
| | Prepaid expenses | | 188.98 | 217.29 |
| | Advance to Suppliers | | 436.74 | 400.84 |
| | Balance with Government Tax Authorities | | 691.67 | 438.96 |
| | Advance to Employees | | 9.56 | 9.92 |
| | Total | | 1,326.95 | 1,067.01 |
| 13 | Equity Share Capital | | As at March 31, 2019 | As at March 31, 2018 |
| | Authorised: | | | |
| | 194,995,922 (March 31, 2018: 194,995,922) equity shares of Rs. 10 each | | 1,949.96 | 1,949.96 |
| | Issued: | | | |
| | 113,730,248 (March 31, 2018: 113,730,248) equity shares of Rs. 10 each | | 1,137.30 | 1,137.30 |
| | Subscribed and Paid up: | | | |
| | 113,730,248 (March 31, 2018: 113,730,248) equity shares of Rs. 10 each (fully paid up) | | 1,137.30 | 1,137.30 |
| | Total | | 1,137.30 | 1,137.30 |
| (a) | Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: | | | |
| | Equity Shares: | | As at March 31, 2019 | As at March 31, 2018 |
| | | | Number of Shares | Amount |
| | Balance as at the beginning of the year | | 113,730,248 | 1,137.30 |
| | Movement during the year | | - | - |
| | Balance as at the end of the year | | 113,730,248 | 1,137.30 |
| (b) | Rights, preferences and restrictions attached to shares: | | | |
| | (i) Equity Shares | | | |
| | The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all dues proportionate to their shareholding. | | | |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| (a) Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|--------|----------------------|--------|
| | Number | Amount | Number | Amount |
| Equity Shares: | | | | |
| MTV Asia Ventures (India) Pte. Ltd., Mauritius | 46,631,488 | 466.32 | 46,631,488 | 466.32 |
| | (41%) | | (41%) | |
| TV18 Broadcast Limited | 58,002,427 | 580.02 | 58,002,427 | 580.02 |
| | (51%) | | (51%) | |
| Nickelodeon Asia Holdings Pte Ltd. Singapore | 9,096,333 | 90.96 | 9,096,333 | 90.96 |
| | (8%) | | (8%) | |

- (d) Of the above 18,192,666 equity shares were issued in the year 2016-2017 pursuant to scheme of amalgamation without payments being received in cash.

14 Other Equity

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Business Reconstruction Reserve (Refer Note 36) | | |
| Balance as at the beginning of the year | 3,155.34 | 3,155.34 |
| Balance as at the end of the year | 3,155.34 | 3,155.34 |
| Securities Premium | | |
| Balance as at the beginning of the year | 6,245.29 | 6,245.29 |
| Balance as at the end of the year | 6,245.29 | 6,245.29 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 1,977.36 | 1,142.76 |
| Less: Transferred to Capital Redemption Reserve | - | (0.04) |
| Add: Profit for the year | 810.09 | 827.68 |
| Add: Movement in OCI (net) during the year | (0.21) | 6.96 |
| Balance as at the end of the year | 2,787.24 | 1,977.36 |
| Capital Redemption Reserve | | |
| Balance as at the beginning of the year | 0.04 | - |
| Add: Amount transferred from Surplus in Statement of Profit and Loss (Refer Note 38) | - | 0.04 |
| Balance as at the end of the year | 0.04 | 0.04 |
| Total | 12,187.91 | 11,378.03 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| 15 Borrowings (non-current) | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------------|---------------------------------|---------------------------------|
| Vehicle Loan (Refer note 15.1 and 19) | <u>26.56</u> | <u>49.08</u> |
| Total | <u>26.56</u> | <u>49.08</u> |

Nature of Security and terms of repayment for secured borrowings

Nature of Security:

Motor Vehicles are secured with the bank for vehicle loans availed.

Terms of Repayment:

- 15.1 Repayable in 48 monthly equal installments from the date of disbursement, ranging from April 1, 2019 to February 5, 2023.

| 16 Provisions (non-current) | As at March 31, 2019 | As at March 31, 2018 |
|--|---------------------------------|---------------------------------|
| Provision for employee benefits: (Refer note 25.2) | | |
| Provision for gratuity | <u>143.82</u> | <u>136.17</u> |
| Total | <u>143.82</u> | <u>136.17</u> |

| 17 Borrowings (current) | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------------|---------------------------------|---------------------------------|
| Loans repayable on demand from Banks: | | |
| Secured (Refer Note 17.1 and 17.2) | <u>1,585.59</u> | <u>2,703.89</u> |
| Unsecured | <u>910.00</u> | <u>-</u> |
| Commercial Paper (Unsecured) | | |
| Others (Refer Note 17.3) | <u>5,000.00</u> | <u>3,000.00</u> |
| Total | <u>7,495.59</u> | <u>5,703.89</u> |

- 17.1 Loans repayable on demand from Banks are secured by a first pari passu charge over Fixed Assets and Current Assets.
- 17.2 Fixed Deposits amounting to Rs. Nil (March 31, 2018: Rs. 2.90) are provided as collateral security (Refer Note 10).
- 17.3 Maximum Commercial Paper outstanding during the year is Rs 5,000 (March 31, 2018 Rs. 3,000).

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| 18 Trade Payables | As at March 31, 2019 | As at March 31, 2018 |
|--|--|---------------------------------|
| Total Outstanding dues of Micro and Small enterprises | 5.21 | - |
| Total Outstanding dues of creditors other than Micro and Small enterprises | 16,585.24 | 15,036.37 |
| Total | 16,590.45 | 15,036.37 |
| | | |
| 18.1 | The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under: | |
| Particular | As at March 31, 2019 | As at March 31, 2018 |
| Principal amount due and remaining unpaid | 5.21 | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |
| | | |
| 19 Other Financial Liabilities (current) | As at March 31, 2019 | As at March 31, 2018 |
| Current maturities of long-term debt (Refer note 15) | 22.99 | 25.35 |
| Interest accrued but not due on borrowings | 1.99 | 0.46 |
| Total | 24.98 | 25.81 |
| | | |
| 20 Other Current Liabilities | As at March 31, 2019 | As at March 31, 2018 |
| Income Received in Advance (Unearned revenue) | 247.19 | 156.90 |
| Statutory Dues (Goods and Service Tax, Withholding Taxes and Others) | 396.83 | 345.42 |
| Advance from customers | 216.74 | 335.29 |
| Total | 860.76 | 837.61 |
| | | |
| 21 Current Provisions | As at March 31, 2019 | As at March 31, 2018 |
| Provision for Employee Benefits: (Refer note 25.2) | | |
| For Gratuity | 40.00 | 25.00 |
| Total | 40.00 | 25.00 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| 22 Revenue from Operations | | |
| Advertisement Sales, Distribution and Program Syndication | 34,325.42 | 32,164.17 |
| Film Distribution and Syndication | 2,174.18 | 4,544.35 |
| Other Sales and Service Income | 137.61 | 136.25 |
| Other Operating Income | 11.56 | 9.46 |
| Total | 36,648.77 | 36,854.23 |
| 23 Other Income | | |
| Interest from banks on deposits | 0.13 | 0.31 |
| Interest on Income tax refund | 28.56 | 118.84 |
| Net Gain on Disposal of property plant and equipments | 1.37 | 0.28 |
| Finance Income (Fair Value of Security Deposits) | 18.59 | 17.94 |
| Miscellaneous Income | 14.19 | 31.17 |
| Total | 62.84 | 168.54 |
| 24 Operational Expenses | | |
| Programming Costs | 20,951.75 | 21,159.80 |
| Marketing and Advertisement Costs | 4,285.49 | 3,669.49 |
| Transmission and Uplinking Costs | 1,106.25 | 1,059.16 |
| License Fees | 274.79 | 261.79 |
| Other Distribution Costs | 1,804.18 | 2,245.35 |
| Total | 28,422.46 | 28,395.59 |
| 25 Employee Benefits Expense | | |
| Salaries, Allowances and Bonus | 4,039.94 | 3,773.67 |
| Contribution to Provident and Other Funds (Refer note 25.1 below) | 164.60 | 148.73 |
| Gratuity (Refer note 25.2 below) | 61.69 | 96.59 |
| Staff Welfare Expenses | 186.47 | 251.40 |
| Total | 4,452.70 | 4,270.39 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

25.1 Defined Contribution Plans

The Company's defined contribution plans are provident fund and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952).

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

| | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Employer's Contribution to Provident Fund | 164.60 | 148.73 |

25.2 Defined Benefit Plans

The Company provides long-term benefits in the nature of Gratuity to its employees. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through appropriate authorities/insurers. The Company's defined benefit plans include gratuity benefit to its employees which is funded through the Life Insurance Corporation of India.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

| | Gratuity (Funded) | |
|---|-------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Defined Benefit obligation at the beginning of the year | 263.70 | 175.31 |
| Current Service Cost | 49.10 | 37.23 |
| Past Service Cost | - | 52.41 |
| Interest Cost | 20.59 | 12.79 |
| Actuarial Loss / (Gain) | 1.61 | (5.63) |
| Benefits Paid | (32.41) | (8.41) |
| Defined Benefit obligation at the year end | 302.59 | 263.70 |

(ii) Reconciliation of opening and closing balances of fair value of Plan Assets

| | Gratuity (Funded) | |
|--|-------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Fair value of Plan assets at the beginning of the year | 102.53 | 80.07 |
| Expected return on plan assets | 8.01 | 5.84 |
| Actuarial gain / (loss) | 1.39 | 1.33 |
| Contributions by employer | 39.25 | 23.70 |
| Benefits Paid | (32.41) | (8.41) |
| Fair value of Plan assets at the year end | 118.77 | 102.53 |

(iii) Reconciliation of fair value of assets and obligations

| | Gratuity (Funded) | |
|---|-------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Present Value of Defined Benefit Obligation | 302.59 | 263.70 |
| Less: Fair Value of Plan Assets | (118.77) | (102.53) |
| Amount recognised as liability | 183.82 | 161.17 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| (iv) Expenses recognised during the year | Gratuity (Funded) | |
|---|-------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Current Service Cost | 49.10 | 37.23 |
| Past Service Cost | - | 52.41 |
| Interest Cost | 20.59 | 12.79 |
| Expected return on plan assets | (8.01) | (5.84) |
| Actuarial loss / (gain) recognised in OCI | 0.21 | (6.96) |
| Net Cost | 61.90 | 89.63 |

(v) Investment details of Plan Assets

100% of the Plan Assets are in the form of funds managed by LIC and they do not provide breakup of plan assets by investment type.

| Particulars | March 31, 2019 | March 31, 2018 |
|----------------------|----------------|----------------|
| Funds Managed by LIC | 118.77 | 102.53 |
| Total | 118.77 | 102.53 |

(vi) Actuarial Assumptions

| | Gratuity (Funded) | |
|---|-------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Discount Rate (p.a.) | 7.69% | 7.81% |
| Expected Rate of Return on Plan Assets (p.a.) | 7.69% | 7.81% |
| Rate of escalation in salary (p.a.) | 12.00% | 12.00% |
| Attrition Rate | 11.00% | 11.00% |

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

(vii) Amounts recognised in current year and previous four years

| Gratuity | March-19 | March-18 | March-17 | March-16 | March-15 |
|--|----------|----------|----------|----------|----------|
| Defined Benefit Obligation | 302.59 | 263.70 | 175.31 | 133.67 | 86.25 |
| Fair value of plan assets | 118.77 | 102.53 | 80.07 | 66.63 | 55.32 |
| (Surplus) / Deficit in the plan | 183.82 | 161.17 | 95.24 | 67.04 | 30.93 |
| Actuarial (gain) / loss on plan obligation | 1.61 | (5.63) | 22.71 | 19.79 | 4.64 |
| Actuarial (gain) / loss on plan assets | (1.39) | (1.33) | 0.30 | 0.12 | (1.74) |

(viii) Sensitivity Analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| | | March- 19 | |
|-----------|---|--------------------------------------|------------------------------|
| | | Defined benefit obligation | |
| | | Increase in assumption | Decrease in assumption |
| | Discount rate (0.5% movement) | (10.37) | 11.06 |
| | Future salary appreciation (0.5% movement) | 6.92 | (6.85) |
| | Attrition rate (0.5% movement) | (1.54) | 1.59 |
| | | March - 18 | |
| | | Defined benefit obligation | |
| | | Increase in assumption | Decrease in assumption |
| | Discount rate (0.5% movement) | (9.06) | 9.66 |
| | Future salary appreciation (0.5% movement) | 6.02 | (5.97) |
| | Attrition rate (0.5% movement) | (1.27) | 1.31 |
| 26 | Finance Costs | Year ended March 31, 2019 | Year ended March 31, 2018 |
| | Interest expense on borrowings | 480.80 | 478.31 |
| | Other financial charges | 1.60 | 22.62 |
| | Total | <u>482.40</u> | <u>500.93</u> |
| 27 | Depreciation and Amortisation Expense | Year ended March 31, 2019 | Year ended March 31, 2018 |
| | Depreciation on Property, Plant and Equipments (Refer Note 3) | 445.80 | 465.85 |
| | Amortisation on Intangible Assets (Refer Note 3) | 204.88 | 238.11 |
| | Total | <u>650.68</u> | <u>703.96</u> |
| 28 | Other Expenses | Year ended March 31, 2019 | Year ended March 31, 2018 |
| | Rent | 441.57 | 416.48 |
| | Rates and taxes | 9.23 | 17.98 |
| | Telephone and fax | 33.29 | 47.69 |
| | Power and fuel | 82.56 | 77.84 |
| | Insurance | 2.34 | 4.12 |
| | Repairs to buildings | 98.29 | 90.80 |
| | Repairs to plant and machinery | 192.93 | 175.19 |
| | Repairs - others | 236.93 | 172.00 |
| | Printing and stationery | 17.65 | 27.87 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|--------------------------------------|------------------------------|
| Postage and freight | 2.03 | 3.73 |
| Legal and professional fees | 376.67 | 441.11 |
| Payment to Auditors | | |
| - Audit fees | 9.40 | 9.40 |
| - Certification fees/Other services | 3.00 | 3.00 |
| - Reimbursement of Expenses | 0.07 | 0.06 |
| Travel, Conveyance and Accommodation | 311.72 | 320.37 |
| Net Loss / (Gain) on foreign currency transactions and translations | 37.21 | (11.08) |
| Provision for doubtful trade receivables and advances (net) | (218.66) | 104.86 |
| Bad debts and advances written off | 70.60 | 74.74 |
| Corporate Social Responsibility Expenses (Refer Note 37) | 21.82 | 29.61 |
| Directors Sitting Fees and Commission | 0.55 | 3.80 |
| Miscellaneous expenses | 44.55 | 57.50 |
| Total | 1,773.75 | 2,067.07 |

29 Income Tax Expense

A reconciliation of the Income tax expenses to the amount computed by applying the statutory income tax rate to income before income tax expense is summarised below:

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|--------------------------------------|------------------------------|
| Profit before tax | 929.62 | 1,084.83 |
| Enacted tax rates (MAT) | 21.55% | 21.34% |
| Computed tax charge / (benefit) | 200.34 | 231.50 |
| Expenses claimed / not claimed in tax and others | (46.82) | 25.65 |
| Excess provision for tax relating to earlier years | (33.99) | - |
| Income Tax charge | 119.53 | 257.15 |

29.1 The tax rate applied is in respect of MAT in view of non - recognition of DTA in respect of MAT credit.

30 Earnings Per Equity Share (EPS)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|--------------------------------------|------------------------------|
| Profit for the year | 810.09 | 827.68 |
| Weighted average number of equity shares outstanding (Nos.) for basic and diluted EPS | 113,730,248 | 113,730,248 |
| Nominal value of shares (Rs.) | 10.00 | 10.00 |
| EPS | | |
| Basic earning per share (Rs.) | 7.12 | 7.28 |
| Diluted earning per share (Rs.) | 7.12 | 7.28 |

Notes to the financial statements

| | | <i>(All amounts in Rs. million, unless otherwise stated)</i> | |
|-----|---|--|-------------------------|
| 31 | Contingent Liabilities (to the extent not provided for) | As at March 31, 2019 | As at March 31, 2018 |
| | Claims against the Company not acknowledged as debts: | | |
| | Legal matters: | | |
| | i. Case filed against the Company for infringement of literary and copy rights right | 30.00 | 30.00 |
| | ii. Cases filed against the Company in distribution business matters and other matters | 115.06 | 117.13 |
| | Taxation matters: | | |
| | i. Income Tax * | 1,409.32 | 989.36 |
| | ii. Service Tax ^ | 384.69 | 448.29 |
| | iii. VAT & CST \$ | 58.86 | 101.85 |
| | iv. Entertainment Tax # | 31.64 | 53.13 |
| | Corporate Guarantee given by the Company | 194.40 | 194.40 |
| (a) | The Company is confident of successfully contesting the aforesaid and does not expect any substantial cash outflow. | | |
| (b) | The Company does not expect any reimbursements in respect of the above contingent liabilities. | | |
| * | Income tax demands mainly relate to various Financial years and include appeals filed by the Company / Revenue authority before various appellate authorities pertaining to transfer pricing adjustment, disallowance of expenses etc. | | |
| ^ | Service tax relate to various Financial years at various appellant authority pertain to notices received for applicability of service tax on reimbursement of expenses received from overseas companies, commission income earned, dispute on account of provision of exempted / export of services viz a viz taxable service, etc. | | |
| \$ | VAT and CST demands relate to various Financial years which include appeals filed by the Company before various appellant authorities against exparte order, disallowance of claims of input tax credit, determination of taxable turnover related to export viz a vis taxable, WCT TDS liability etc. | | |
| # | Demands towards Entertainment tax for Financial Year 2015-16. | | |
| 32 | Capital and other commitments | As at March 31, 2019 | As at March 31, 2018 |
| | (a) Capital Commitments | | |
| | The estimated value of contracts on capital account remaining to be executed and not provided for; | 231.82 | 118.54 |
| | (b) Other Commitments | | |
| | The Company has entered into certain non-cancellable agreements with vendors, the cancellation of which will entail substantial monetary compensation. | 305.95 | 255.57 |
| 33 | As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements. | | |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

34 Related Party Disclosures

(a) Names of related parties and nature of relationship:

| Sr. no. | Name of Related Party | Relationship |
|---------|---|--|
| 1 | MTV Asia Ventures (India) Pte. Ltd., Mauritius (42% Share holder) # | Joint Venturers |
| 2 | TV18 Broadcast Limited (50% Share holder) * | |
| 3 | Nickelodeon Asia Holdings Pte Ltd. Singapore (8% Share holder) # | |
| 4 | TV18 Broadcast Limited (51% Share holder) * ^ | Parent Company |
| 5 | Viacom International Inc | Significant Influence over the Company |
| 6 | MTV Asia Ventures (India) Pte. Ltd., Mauritius (41% Share holder) # | |
| 7 | Nickelodeon Asia Holdings Pte Ltd. Singapore (8% Share holder) # | |
| 8 | VIMN Netherlands BV \$ | |
| 9 | MTV Networks Europe \$ | |
| 10 | Paramount Pictures International Limited \$ | |
| 11 | Paramount Pictures Corporation \$ | |
| 12 | MTV Asia LDC \$ | |
| 13 | Reliance Industries Limited (RIL) ^ | Beneficiary / Protector of Independent Media Trust |
| 14 | Viacom18 US Inc ^ | Subsidiary Companies |
| 15 | Viacom18 Media (UK) Ltd. ^ | |
| 16 | Roptonal Limited, Cyprus ^ | |
| 17 | Indiacast Media Distribution Private Limited | Joint Venture Entity |
| 18 | IndiaCast US Ltd | Subsidiaries of Joint Venture Entity |
| 19 | IndiaCast UK Ltd | |
| 20 | Network18 Media & Investments Limited ^ | Holding Company of the Parent |
| 21 | AETN18 Media Private Limited | Fellow Subsidiaries, Associates and Joint Ventures |
| 22 | IBN Lokmat News Private Limited | |
| 23 | Eenadu Television Private Limited | |
| 24 | Colosceum Media Private Limited | |
| 25 | TV18 Home Shopping Network Limited | |
| 26 | Bigtree Entertainment Private Limited | |
| 27 | Reliance Jio Messaging Services Limited | |
| 28 | Reliance Jio Infocomm Limited | |
| 29 | Reliance Corporate It Park Limited | |
| 30 | Saavan LLC | |
| 31 | Football Sports Development Limited | |
| 32 | GTPL Hathyway Private Limited | |
| 33 | Reliance Retail Limited | |
| 34 | IMG Reliance Limited | |
| 35 | Reliance Brands Limited | |
| 36 | Reliance Lifestyle Holdings Limited | |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| Sr. no. | Name of Related Party | Relationship |
|---------|--|---------------------------|
| 37 | Sudhanshu Vats [CEO and Managing Director] | Key Management Personnels |
| 38 | Soumen Ray [CFO - till July 31, 2018] | |
| 39 | Mukesh Mundra [CFO w.e.f. October 9, 2018] | |
| 40 | Sujeet Jain [CS till March, 31 2019] | |

Upto February 28, 2018, these entities were accounted as Joint Venturers and w.e.f. March 1, 2018, the same were accounted under as entities having significant influence over the company.

* Upto February 28, 2018, these entities were accounted as Joint Venturers and w.e.f. March 1, 2018, the same were accounted under as Parent Company.

^ Control exists

\$ Subsidiaries and Associates of the companies having Significant Influence over the Company.

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| (b) Details of balances and transactions during the years with related parties | | | | | | | |
|--|----------------|----------------------|------------------------------------|--|---|--|--------------------------|
| Particulars | Parent Company | Subsidiary Companies | Joint Venture and its subsidiaries | Fellow Subsidiaries, Associates and Joint Ventures | Holding Company of the Company's Parent | Significant Influence over the Company | Key Managerial Personnel |
| Transactions during the year | | | | | | | |
| Income from operations and other income | | | | | | | |
| TV18 Broadcast Ltd. | 7,576.89 | - | - | - | - | - | - |
| | (6,783.07) | - | - | - | - | - | - |
| IndiaCast Media Distribution Private Limited | - | - | 1,881.74 | - | - | - | - |
| | - | - | (1,816.48) | - | - | - | - |
| Indiacast US Ltd | - | - | 148.69 | - | - | - | - |
| | - | - | (117.64) | - | - | - | - |
| Indiacast UK Ltd | - | - | 1,140.23 | - | - | - | - |
| | - | - | (1,141.70) | - | - | - | - |
| TV18 Home Shopping Network Limited | - | - | - | 6.15 | - | - | - |
| | - | - | - | - | - | - | - |
| Eenadu Television Private Limited | - | - | - | 11.30 | - | - | - |
| | - | - | - | (4.03) | - | - | - |
| Nickelodeon Asia Holdings Pte Ltd. | - | - | - | - | - | 7.50 | - |
| | - | - | - | - | - | (11.40) | - |
| Reliance Brands Limited | - | - | - | 0.50 | - | - | - |
| | - | - | - | - | - | - | - |
| Network18 Media & Investments Limited | - | - | - | - | 1.50 | - | - |
| | - | - | - | - | - | - | - |
| Football Sports Development Limited | - | - | - | 48.00 | - | - | - |
| | - | - | - | - | - | - | - |
| MTV Asia LDC | - | - | - | - | - | - | - |
| | - | - | - | - | - | (5.61) | - |
| MTV Networks Europe | - | - | - | - | - | - | - |
| | - | - | - | - | - | (4.97) | - |
| VIMN Netherlands BV | - | - | - | - | - | - | - |
| | - | - | - | - | - | (3.35) | - |
| IMG Reliance Limited | - | - | - | 90.00 | - | - | - |
| | - | - | - | - | - | - | - |
| Expenditure for services received | | | | | | | |
| TV18 Broadcast Ltd. | 141.44 | - | - | - | - | - | - |
| | (129.11) | - | - | - | - | - | - |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| Particulars | Parent Company | Subsidiary Companies | Joint Venture and its subsidiaries | Fellow Subsidiaries, Associates and Joint Ventures | Holding Company of the Company's Parent | Significant Influence over the Company | Key Managerial Personnel |
|--|----------------|----------------------|------------------------------------|--|---|--|--------------------------|
| IBN Lokmat News Private Limited | - | - | - | 1.87 | - | - | - |
| | - | - | - | (2.36) | - | - | - |
| IndiaCast Media Distribution Private Limited | - | - | 10.03 | - | - | - | - |
| | - | - | (5.72) | - | - | - | - |
| Bigtree Entertainment Private Limited | - | - | - | 65.73 | - | - | - |
| | - | - | - | - | - | - | - |
| Colosseum Media Pvt Ltd | - | - | - | 371.50 | - | - | - |
| | - | - | - | (27.97) | - | - | - |
| Network18 Media & Investments Limited | - | - | - | - | 3.87 | - | - |
| | - | - | - | - | (2.42) | - | - |
| Eenadu Television Private Limited | - | - | - | 71.35 | - | - | - |
| | - | - | - | (3.88) | - | - | - |
| Reliance Jio Infocomm Ltd | - | - | - | 10.65 | - | - | - |
| | - | - | - | - | - | - | - |
| Reliance Corporate IT Park Ltd | - | - | - | 3.00 | - | - | - |
| | - | - | - | - | - | - | - |
| Saavan LLC | - | - | - | 2.18 | - | - | - |
| | - | - | - | - | - | - | - |
| Football Sports Development Ltd | - | - | - | 48.00 | - | - | - |
| | - | - | - | - | - | - | - |
| GTPL Hathway Private Limited | - | - | - | 0.00 | - | - | - |
| | - | - | - | - | - | - | - |
| Viacom International Inc | - | - | - | - | - | 229.21 | - |
| | - | - | - | - | - | (234.54) | - |
| VIMN Netherlands BV | - | - | - | - | - | 27.27 | - |
| | - | - | - | - | - | - | - |
| Paramount Pictures International Limited | - | - | - | - | - | 780.69 | - |
| | - | - | - | - | - | - | - |
| Nickelodeon Asia Holdings Pte Ltd. | - | - | - | - | - | - | - |
| | - | - | - | - | - | (6.92) | - |
| MTV Asia LDC | - | - | - | - | - | 78.09 | - |
| | - | - | - | - | - | (52.40) | - |
| IMG Reliance Limited | - | - | - | 90.00 | - | - | - |
| | - | - | - | - | - | - | - |
| Reliance Retail Limited | - | - | - | - | - | - | - |
| | - | - | - | (1.28) | - | - | - |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| Particulars | Parent Company | Subsidiary Companies | Joint Venture and its subsidiaries | Fellow Subsidiaries, Associates and Joint Ventures | Holding Company of the Company's Parent | Significant Influence over the Company | Key Managerial Personnel |
|--|----------------|----------------------|------------------------------------|--|---|--|--------------------------|
| Purchase of Content* | | | | | | | |
| Viacom International Inc | - | - | - | - | - | 732.83 | - |
| | - | - | - | - | - | - | - |
| Reimbursement of expenses (paid) | | | | | | | |
| TV18 Broadcast Ltd. | 74.12 | - | - | - | - | - | - |
| | (30.09) | - | - | - | - | - | - |
| IndiaCast Media Distribution Private Limited | - | - | 1,807.05 | - | - | - | - |
| | - | - | (1,900.80) | - | - | - | - |
| Indiacast UK Ltd | - | - | 63.75 | - | - | - | - |
| | - | - | (49.44) | - | - | - | - |
| Indiacast US Ltd | - | - | 8.33 | - | - | - | - |
| | - | - | (0.35) | - | - | - | - |
| Paramount Pictures Corporation | - | - | - | - | - | 2.29 | - |
| | - | - | - | - | - | - | - |
| Reimbursement of expenses (received) | | | | | | | |
| IndiaCast Media Distribution Private Limited | - | - | - | - | - | - | - |
| | - | - | (0.15) | - | - | - | - |
| AETN18 Media Private Limited | - | - | - | 3.29 | - | - | - |
| | - | - | - | (1.81) | - | - | - |
| Bigtree Entertainment Private Limited | - | - | - | 43.38 | - | - | - |
| | - | - | - | - | - | - | - |
| Paramount Pictures International Limited | - | - | - | - | - | 414.81 | - |
| | - | - | - | - | - | - | - |
| Reliance Lifestyle Holdings Limited | - | - | - | 0.40 | - | - | - |
| | - | - | - | - | - | - | - |
| Viacom International Inc | - | - | - | - | - | 1.64 | - |
| | - | - | - | - | - | (9.18) | - |
| Remuneration | | | | | | | |
| Managerial Remuneration | - | - | - | - | - | - | 124.40 |
| | - | - | - | - | - | - | (140.81) |
| Redemption of Compulsory Convertible Debentures | | | | | | | |
| IndiaCast Media Distribution Private Limited | - | - | 400.00 | - | - | - | - |
| | - | - | - | - | - | - | - |
| Investment in Compulsory Convertible Debentures | | | | | | | |
| IndiaCast Media Distribution Private Limited | - | - | - | - | - | - | - |
| | - | - | (400.00) | - | - | - | - |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| Particulars | Parent Company | Subsidiary Companies | Joint Venture and its subsidiaries | Fellow Subsidiaries, Associates and Joint Ventures | Holding Company of the Company's Parent | Significant Influence over the Company | Key Managerial Personnel |
|--|----------------|----------------------|------------------------------------|--|---|--|--------------------------|
| Receivables | | | | | | | |
| Viacom18 Media (UK) Limited | - | 72.91 | - | - | - | - | - |
| | - | (74.33) | - | - | - | - | - |
| Viacom18 US Inc. | - | 74.87 | - | - | - | - | - |
| | - | (70.41) | - | - | - | - | - |
| TV18 Broadcast Ltd. | 3,796.51 | - | - | - | - | - | - |
| | (4,053.67) | - | - | - | - | - | - |
| TV18 Broadcast Ltd. (Security Deposit) | 4.58 | - | - | - | - | - | - |
| | (4.58) | - | - | - | - | - | - |
| IndiaCast Media Distribution Private Limited | - | - | 618.01 | - | - | - | - |
| | - | - | (364.85) | - | - | - | - |
| Indiacast US Ltd | - | - | 29.38 | - | - | - | - |
| | - | - | (19.78) | - | - | - | - |
| Indiacast UK Ltd | - | - | 262.64 | - | - | - | - |
| | - | - | (501.66) | - | - | - | - |
| AETN18 Media Private Limited | - | - | - | 0.80 | - | - | - |
| | - | - | - | (1.96) | - | - | - |
| Network18 Media & Investments Limited | - | - | - | - | - | - | - |
| | - | - | - | - | (0.42) | - | - |
| TV18 Home Shopping Network Ltd | - | - | - | 45.82 | - | - | - |
| | - | - | - | (38.68) | - | - | - |
| Bigtree Entertainment Private Limited | - | - | - | 119.81 | - | - | - |
| | - | - | - | (94.16) | - | - | - |
| Viacom International Inc | - | - | - | - | - | 1.72 | - |
| | - | - | - | - | - | (9.18) | - |
| Eenadu Television Private Limited | - | - | - | 1.14 | - | - | - |
| | - | - | - | (1.14) | - | - | - |
| Eenadu Television Private Limited (Security Deposit) | - | - | - | 5.90 | - | - | - |
| | - | - | - | (5.07) | - | - | - |
| Nickelodeon Asia Holdings Pte Ltd | - | - | - | - | - | 5.71 | - |
| | - | - | - | - | - | (8.47) | - |
| Football Sports Development Limited | - | - | - | 5.31 | - | - | - |
| | - | - | - | - | - | - | - |
| Reliance Jio Messaging Services Ltd | - | - | - | 0.06 | - | - | - |
| | - | - | - | - | - | - | - |
| Reliance Brands Limited | - | - | - | 0.61 | - | - | - |
| | - | - | - | (0.35) | - | - | - |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| Particulars | Parent Company | Subsidiary Companies | Joint Venture and its subsidiaries | Fellow Subsidiaries, Associates and Joint Ventures | Holding Company of the Company's Parent | Sig-nificant Influence over the Company | Key Manage-rial Per-sonnels |
|---|----------------|----------------------|------------------------------------|--|---|---|-----------------------------|
| Reliance Lifestyle Holdings Limited | - | - | - | 0.45 | - | - | - |
| | - | - | - | - | - | - | - |
| MTV Asia LDC | - | - | - | - | - | (0.84) | - |
| Paramount Pictures International Limited | - | - | - | - | - | 414.81 | - |
| | - | - | - | - | - | - | - |
| IMG Reliance Limited | - | - | - | 106.20 | - | - | - |
| | - | - | - | - | - | - | - |
| MTV Networks Europe | - | - | - | - | - | 8.69 | - |
| | - | - | - | - | - | (14.99) | - |
| Advances | | | | | | | |
| Viacom18 Media (UK) Limited | - | - | - | - | - | - | - |
| | - | (1.63) | - | - | - | - | - |
| Viacom18 US Inc. | - | - | - | - | - | - | - |
| | - | (1.63) | - | - | - | - | - |
| * Pursuant to agreement entered into with Viacom International Inc., the Company has acquired certain rights including digital content for a period of 3 years aggregating Rs. 1,465.65 million. As per the agreement, Viacom International Inc. has raised an invoice of Rs. 732.83 million which is already paid as per payment terms of the agreement. | | | | | | | |
| (c) Figures in bracket are in respect of previous year. | | | | | | | |

35 Leases

As a lessee - Operating Lease

The Company has taken premises on operating lease basis. These lease arrangements are for a period upto 9 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| With respect to all operating leases: | | |
| Lease payments recognised in the Statement of Profit and Loss during the year | 441.57 | 416.48 |
| With respect to non-cancellable operating leases, the future minimum lease payments are as follows: | | |
| | As at March 31, 2019 | As at March 31, 2018 |
| Not later than one year | 9.50 | 86.72 |
| Later than one year and not later than five years | 10.92 | 21.84 |
| | <u>20.42</u> | <u>108.56</u> |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

36 Business Reconstruction Reserve (“BRR”)

The Board of Directors of the Company passed a resolution approving the capital reduction under the provisions of the Companies Act, 1956 on November 19, 2013. Further, the Shareholders of the Company approved the capital reduction in the extra ordinary general meeting convened by the Company on November 21, 2013. The Hon’ble Bombay High Court approved the said capital reduction vide its Order dated January 24, 2014 and the Order of the Hon’ble Bombay High Court has been filed with the Registrar of Companies on March 19, 2014. Accordingly, in pursuance to the capital reduction scheme, the balance lying to the credit of Securities Premium Account to the extent of Rs. 8,007.40 million as determined by the Board of Directors has been transferred to Business Reconstruction Reserve (“BRR”) Account.

As per the said Order, the amount standing to the credit of BRR Account shall be utilized towards expenses and losses including, but not limited to, impairment/ amortisation of goodwill and other assets, stamp duty, interest and other financial charges, etc. payable by the Company in connection with the business/asset acquisition by the Company, as well as write off of accumulated debit balance of the Profit and Loss Account of the Company.

Balance lying under BRR as at March 31, 2019 is Rs. 3,155.34 and as at March 31, 2018 is Rs. 3,155.34 after adjusting expenses amounting to Rs. 401.50 million towards write down of inventory and write off of advances given towards stalled projects. Further, an amount equivalent to the charge of Rs. 4,450.56 million has been adjusted against BRR on account of amalgamation in the earlier years.

| 37 | Expenses towards Corporate Social Responsibility | Year ended March 31, 2019 | Year ended March 31, 2018 |
|----|---|------------------------------|------------------------------|
| | | | |
| | (a) Gross amount required to be spent by the Company during the year. | 21.77 | 28.99 |
| | (b) Amount spent during the year on: | | |

| As at March 31, 2019 | | | | |
|----------------------|---------------------------------------|--------------------|----------------|-------|
| Sr. No. | Particulars | In Cash/Chq/Transf | Yet to be paid | Total |
| (i) | Construction/acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above | 21.82 | - | 21.82 |
| As at March 31, 2018 | | | | |
| Sr. No. | Particulars | In Cash/Chq/Transf | Yet to be paid | Total |
| (i) | Construction/acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above | 29.61 | - | 29.61 |

38 Capital Redemption Reserve (“CRR”)

During the previous year, the Company had redeemed 4,078, 0.001% Optionally Convertible Non-Cumulative Redeemable Preference Shares (“OCRPS”) of Rs. 10/- each held by TV18 Broadcast Limited by way of cash at the price at which such OCRPS were issued (ie Rs. 595 per OCRPS) aggregating to Rs. 2.43 million. In accordance with provisions of section 55 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the Company had transferred an amount equal to the nominal amount of the shares to be redeemed to Capital Redemption Reserve Account, amounting to Rs. 0.04 million.

39 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.

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

The following table summarizes the capital of the Company:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---------------------------------|-------------------------|
| Long term borrowings (including current maturities) | 49.55 | 74.43 |
| Short term borrowings | 7,495.59 | 5,703.89 |
| Total Debt | 7,545.14 | 5,778.32 |
| Equity Share Capital | 1,137.30 | 1,137.30 |
| Other Equity | 12,187.91 | 11,378.03 |
| Total Equity | 13,325.21 | 12,515.33 |
| Debt Equity Ratio | 57% | 46% |

40 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 March 31, 2019 | | As at March 31, 2018 | |
| | | Foreign Currency (In Millions) | Rupee Equivalent (In Millions) | Foreign Currency (In Millions) | Rupee Equivalent (In Millions) |
| Trade Receivables | GBP | 2.63 | 238.06 | 2.36 | 217.58 |
| | EURO | 0.17 | 12.95 | 0.07 | 6.01 |
| | USD | 12.42 | 859.24 | 16.03 | 1,042.90 |
| | CAD | 0.22 | 11.31 | 0.27 | 13.68 |
| Advance from customers | EUR | 0.16 | 12.76 | 0.29 | 23.10 |
| | GBP | - | - | 0.00 | 0.15 |
| | USD | 2.48 | 171.47 | 1.65 | 107.50 |
| Trade Payables | AUD | - | - | 0.005 | 0.24 |
| | EURO | 0.01 | 1.15 | 0.001 | 0.06 |
| | GBP | 0.13 | 11.74 | 0.22 | 20.09 |
| | SGD | - | - | 0.002 | 0.11 |
| | USD | 4.39 | 303.46 | 1.42 | 92.27 |
| Advances | AED | 1.11 | 20.99 | 0.02 | 0.31 |
| | EURO | - | - | 0.01 | 0.89 |
| | GBP | - | - | 0.001 | 0.08 |
| | USD | 0.12 | 8.40 | 0.05 | 3.49 |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

(ii) Interest rate risk:

The Company is exposed to interest rate risk because it borrows funds also at floating interest rates.

For floating rate borrowings, the sensitivity analysis is prepared assuming 50 basis points change in the interest rate on average borrowings for the year. An increase/decrease of 50 basis points in interest rates for the reporting period would result in decrease/increase in the Company's profit before income tax by approximately Rs. 31.79 million (March 31, 2018 Rs. 34.01 million) for the year ended March 31, 2019.

(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 advertisement sales receivables which are past due, the Company approaches The Indian Broadcasting Federation to impose an embargo on the customer / agency. For receivables pertaining to other 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.

| As at March 31, 2019 | Less than 1 year | Between 1 and 5 years |
|--|------------------|-----------------------|
| Long term and short term borrowings | 7,518.58 | 26.56 |
| Interest accrued but not due | 1.99 | - |
| Trade Payables and accruals | 16,590.45 | - |
| Total | 24,111.02 | 26.56 |
| | | |
| As at March 31, 2018 | Less than 1 year | Between 1 and 5 years |
| Long term and short term borrowings | 5,729.24 | 49.08 |
| Interest accrued but not due | 0.46 | - |
| Trade Payables and accruals | 15,036.37 | - |
| Total | 20,766.07 | 49.08 |
| The total borrowing facility available to the Company is Rs. 10,750 million (Rs. 15,750 million as at March 31, 2018) and undrawn borrowing facility was Rs. 8,270 million (Rs. 11,060 million as at March 31, 2018) | | |

Notes to the financial statements

(All amounts in Rs. million, unless otherwise stated)

| 41 | Fair Value Measurements | | |
|-----------|--|---------------------------------|-------------------------|
| | Financial Assets | As at March 31, 2019 | As at March 31, 2018 |
| | Investments | 3,259.53 | 3,659.53 |
| | Trade Receivables | 9,712.22 | 11,500.96 |
| | Cash and cash equivalents | 549.63 | 720.24 |
| | Other Bank balances | 0.75 | 3.06 |
| | Other financial assets | 883.71 | 644.92 |
| | Total | 14,405.84 | 16,528.71 |
| | | | |
| | Financial Liabilities | As at | As at |
| | | March 31, 2019 | March 31, 2018 |
| | Borrowings | 7,522.15 | 5,752.97 |
| | Trade Payables | 16,590.45 | 15,036.37 |
| | Other financial liabilities (Including current maturities of long term borrowings) | 24.98 | 25.81 |
| | Total | 24,137.58 | 20,815.15 |
| | The fair values of the above financial assets and liabilities approximates their carrying amounts. | | |

42 The financial statements were approved for issue by the board of directors on April 9, 2019.

For and on behalf of the Board of Directors

Sudhanshu Vats
DIN : 05234702
Managing Director & CEO

Mukesh Mundra
Chief Financial Officer

Place: Mumbai
Date: 09th April 2019

Rahul Joshi
DIN : 07389787
Director

Amit Kumar Sohni
Company Secretary

Place: Mumbai
Date: 09th April 2019