VIACOM18 US INC.
FINANCIAL STATEMENTS
MARCH 31, 2018
WITH INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Independent Accountants' Report

To the Stockholders of Viacom18 US Inc., Jersey City, New Jersey

We have audited the accompanying financial statements of Viacom18 US Inc. (referred to as "the Company") which comprises of Balance sheet as at March 31, 2018 and the related statements of operations, comprehensive income, stockholder's equity and cash flows for the years then ended, and related notes to financial statement.

Management's Responsibility for the Financial Statement

Management is the responsible for preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standard generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements referred to above present fairly, in all material respects, the financial position of the Company as at March 31, 2018 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

For T R Chadha & Co LLP

Vikas Kumar
Chartered Accountants

Date: 6th April, 2018

Balance Sheet March 31, 2018

	Amount in US$
Assets	
Current assets	
Cash and Cash Equivalents	$ 237,758
Total current assets	237,758
Total Assets	$ 237,758
Liabilities and Stockholder's Deficit	
Current liabilities	
Accounts payable and accrued expenses	$ 7,017
Due to affiliates	1,455,762
Total liabilities	1,462,779
Stockholder's deficit	
Common stock, $0.01 par value, 200 shares authorized and 100 shares issued and outstanding	1
Additional paid in capital	5,000
Accumulated deficit	(1,230,022)
Total stockholder's deficit	(1,225,021)
Total Liabilities and stockholders' deficit	$ 237,758

See Independent Accountants' Review Report.

The Notes to Financial Statements are an integral part of these statements.

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Kshipra Jatana
Director

Statement of Profit and Loss for the year ended 31st March, 2018

	Amount in US$
Revenue	$ -
Cost of revenue	-
Gross margin	-
Operating expenses:	
Accounting and Secretarial fees	15,000
Audit and review fees	8,502
Bank service fees	788
Other Fees	1,341
Total operating expenses	25,631
Operating loss	(25,631)
Other income	9,800
Net income	$ (15,831)

See Independent Accountants' Review Report.

The Notes to Financial Statements are an integral part of these statements.

Kshipra Jatana
Director

Statement of Changes in Equity for the year ended 31st March, 2018

Amount in US$

	Total Common Stock	Additional Paid in Capital	Accumulated Deficit	Stockholder's Deficit
Balance March 31, 2017	$1	$5,000	$(1,214,191)	$(1,209,190)
Net Income	-	-	(15,831)	(15,831)
Balance March 31, 2018	$1	$5,000	$(1,230,022)	$(1,225,021)

See Independent Accountants' Review report.

The Notes to Financial Statements are an integral part of these statements.

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Kshipra Jatana
Director

Cash Flow Statement for the year ended 31st March, 2018

	Amount in US$
Cash flows from operating activities	
Net gain	$ (15,831)
Adjustments to reconcile net loss to net cash	
used by operating activities:	
Liability write back	(9,800)
Changes in operating assets and liabilities,	
Decreases in other receivables	17,439
Decrease in accounts payable and accrued expenses	(2,070)
Net cash used by operating activities	(10,262)
Cash flows from investing activities	**-**
Cash flows from financing activities	-
Net decrease in cash and cash equivalents	(10,262)
Cash and cash equivalents	
Beginning of period	248,020
End of period	$237,758

See Independent Accountants' Review report.

The Notes to Financial Statements are an integral part of these statements.

Kshipra Jatana
Director

Notes to Financial Statements Year Ended 31st March, 2018

NOTE 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Viacom 18 US Inc. (the "Company") was incorporated under the laws of the state of Delaware on October 29, 2007, and commenced operations on the same day. The Company is a wholly owned subsidiary of Viacom 18 Media Private Limited ("Viacom India"), an entity established under the laws of India. The Company is engaged in the business of marketing and promotion in the broadcasting market in the U.S.A and its activities include marketing and sale in the US of airtime on Viacom India's TV channel, "Aap Ka Colors". The Company had no revenues since beginning of the fiscal year and is presently evaluating its market opportunities. These financials have been prepared solely for consolidation with parent company.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and non-interest bearing bank accounts. Cash deposits, exceeded federally insured limits as of March 31, 2018

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. "the exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches, including quoted market prices and discounted cash flows. The established hierarchy for inputs used, in measuring fair value, maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect a company's judgment concerning the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The fair value hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement, which utilize the Company's estimates and assumptions.

If the volume and level of activity for an asset or liability have significantly decreased, the Company will still evaluate the fair value estimate as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions.

The following table sets forth the fair value of our financial assets that were measured on a recurring basis as of March 31, 2018:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 37,758	-	-

Revenue Recognition

Revenue is recognized in accordance with the FASB Accounting Standards Codification ("FASB ASC") Topic 605, Revenue Recognition. Substantially all of the Company's revenue is derived from the sale of advertising space on satellite television. Revenue is realized when the service is performed in accordance with terms of each client arrangement, upon completion of the earnings process and when collection is reasonably assured. Prior to recognizing revenue, persuasive evidence of an arrangement must exist, the sales price must be fixed or determinable and performance and acceptance must be in accordance with the client arrangement.

Notes to Financial Statements Year Ended 31st March, 2018

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives.

	Years
Furniture and fixtures	5
Office and computer equipment	3 - 5

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Income Taxes

Income tax expense consists of current tax expense and the net change in the deferred tax asset or liability during the year. The current income tax benefit from operations consists of federal and state income taxes payable by the Company. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the operating statement in the period of enactment of the change.

The Company is required to file tax returns in the U.S. federal jurisdiction and various states. The Company follows the accounting pronouncement dealing with uncertain tax positions. The pronouncement clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The pronouncement also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company had no uncertain tax positions at March 31, 2018. Penalties accrued on unrecognized tax benefits, if any, are classified with operating expenses. The Company recognized no interest or penalties during the period ended March 31, 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. RELATED PARTY TRANSACTIONS

The Company previously distributed movies to exhibitors throughout the USA and Canada under a master agency agreement entered into with an entity related through common ownership, The Indian Film Company Limited. Pursuant to the general provisions of this agreement, the Company earned commission income as a percentage of exhibition rental and promotion fees collected on behalf of the principal. The rate of commission income was negotiated on a movie by movie basis and was specified in the term sheets signed by the parties. At the end of fiscal year 2010, the Company discontinued its movie distribution agency business. During the fiscal year ended March 31, 2015, The Indian Film Company merged with Roptonal Limited, the holding company of The Indian Film Company and a subsidiary of Viacom18 Media Private Limited

The net payable owed to Roptonal Limited is $348,190 as of March 31, 2018 and is included in due to affiliates on the Company's balance sheet. The Company has an informal agreement with this affiliate to repay this amount as the funds become available.

The net amount due to affiliates as of March 31, 2018 is summarized below:

Due to Roptonal Ltd.	$	348,190
Due to Viacom18 Media Private Limited	$	1,107,572
Total	$	1,455,762

Notes to Financial Statements Year Ended 31st March, 2018

At March 31, 2018, the Company owed $1,107,572 to Viacom18 Media Private Limited. The Company has an informal agreement with Viacom 18 Media Private Limited to repay this amount as the funds become available. Additionally, Viacom18 Media Private Limited has agreed in writing to provide continued financial support to the Company for the Company's fiscal year ending March 31, 2018.

NOTE 3. INCOME TAXES

The Company's deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the Company's deferred tax assets depends upon generating sufficient future taxable income during the period in which the Company's temporary differences become deductible for tax purposes. At March 31, 2018, the Company's deferred tax asset from the net operating loss (NOL) and related valuation allowance was approximately $258,307, computed at the blended Federal and State tax rate of 21%.

The Company has available at March 31, 2018 approximately $1,230,031 of net operating loss carry forwards that may be applied against future taxable income. For federal income tax purposes, these losses will be expire beginning in 2028.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 4. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through which is the date these financial statements were available to be issued and has determined that no subsequent events have occurred requiring recognition or disclosure in these financial statements.