TELEVISION EIGHTEEN MEDIA AND INVESTMENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF

TELEVISION EIGHTEEN MEDIA AND INVESTMENT LIMITED

Report on the Financial Statements

We have audited the financial statements of Television Eighteen Media and Investment Limited from 7 to 18 which comprise the statement of financial position at 31 March 2015, the statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Company's member, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members those matters that are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

- We have no relationship with or interests in the Company other than in our capacity as auditors.
- We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by the Company as far as it appears from our examination of those records.

___________________________	___________________________
ROY SERVANSINGH ASSOCIATES	***SIGNING PARTNER***
Licensed Auditors	***SAMRAT C. SERVANSINGH (FCCA)***
	Licensed by FRC
DATE: ____________	***DATE:*** ____________

Statement of financial position as at 31 March, 2015

	Note	31 March 2015 USD	31 March 2014 USD
ASSETS			
Non-current assets			
Investment	5	**78,640,289**	78,640,289
Current assets			
Loans and advances	6	**1,382,364**	1,376,675
Cash and bank balances		**41,155**	50,725
		1,423,519	1,427,400
Total assets		**80,063,808**	80,067,689
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	7	**49,218,692**	49,218,692
Revenue deficit	8	**(4,776,023)**	(3,838,858)
		44,442,669	45,379,834
Non-current liabilities			
Unsecured loan	9	**35,612,364**	34,682,225
Current liabilities			
Other payables		**8,775**	5,630
		8,775	5,630
Total equity and liabilities		**80,063,808**	80,067,689

The financial statements were approved by the Board of Directors on and were signed on their behalf by:

....
SHARIFF GOLAM HOSSEN
DIRECTOR

....
ASLAM KOOMAR
DIRECTOR

The accounting policies and the notes form an integral part of these financial statements

Statement of profit or loss and other comprehensive income
For the year ended 31 March, 2015

	Note	Year ended 31 March 2015 USD	Year ended 31 March 2014 USD
INCOME			
Interest income		**-**	37,061
Other income		**2,917**	-
		2,917	37,061
EXPENSES			
Other expenses		**6,838**	10,302
Interest and other financial charges		**930,139**	919,323
Audit fee		**2,500**	2,500
Bank charges		**605**	288
		940,082	932,413
Loss for the year before taxation		**(937,165)**	(895,352)
Taxation	10	**-**	-
Loss for the year after taxation		**(937,165)**	(895,352)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(937,165)**	(895,352)

The accounting policies and the notes form an integral part of these financial statements

Statement of Changes in Equity for the year ended 31 March, 2015

	Share capital USD	Revenue deficit USD	Total USD
At 01 April 2013	49,218,692	(2,943,506)	46,275,186
Total comprehensive loss for the year	-	(895,352)	(895,352)
At 31 March 2014	**49,218,692**	**(3,838,858)**	**45,379,834**
At 01 April 2014	49,218,692	(3,838,858)	45,379,834
Total comprehensive loss for the year	-	(937,165)	(937,165)
At 31 March 2015	**49,218,692**	**(4,776,023)**	**44,442,669**

The accounting policies and the notes form an integral part of these financial statements

Statement of cash flows For the year ended 31 March, 2015

	Year ended 31 March 2015 USD	Year ended 31 March 2014 USD
Cash flow from operating activities		
Loss for the year before taxation	**(937,165)**	(895,352)
Add: interest expenses	**930,139**	919,323
Less: interest income	**-**	(37,061)
Adjustments for:		
Change in loans and advances	**(5,689)**	(31,420)
Change in other payables	**3,145**	(2,070)
Cash absorbed in operating activities	**(9,570)**	(46,580)
Cash flow from financing activities		
Interest expense	**(930,139)**	(919,323)
Loan taken	**930,139**	919,323
Net cash flow from financing activities	**-**	-
Cash flow from investing activities		
Interest income	**-**	37,061
Net cash used in investing activities	**-**	37,061
Net decrease in cash and cash equivalents	**(9,570)**	(9,519)
Cash and cash equivalents at beginning of year	**50,725**	60,244
Cash and cash equivalents at end of year	**41,155**	50,725

The accounting policies and the notes form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 March 2015

1. GENERAL INFORMATION

Television Eighteen Media and Investment Limited ("the Company") was incorporated in Mauritius, under The Companies Act 2001, on 24 April 2007 as a private company with limited liability by shares. The Company's registered office address is 5th Floor, Ebene Esplanade, 24 Cybercity, Ebene, Mauritius. The Company's principal activity is that of investing in media business and in media undertakings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the measurement at fair values of the financial instruments carried on the Statement of financial position.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical estimates or judgements made by the Company for the year ended 31 March 2015.

Financial instruments

Financial instruments carried on the statement of financial position include advance against equity, trade and other receivables, cash and bank balances, and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Cash and cash equivalents

Cash and cash equivalent includes cash in hand, deposit held at call with banks, other short term highly liquid investment with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the statement of financial position.

Deferred taxation

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax liability is settled.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Share capital
Ordinary shares are classified as equity.

Trade receivables

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

Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the year of the payable using the effective interest method.

Notes to the Financial Statements for the year ended 31 March 2015

Functional and presentation currency

The financial statements are presented in United States dollars ("USD") which is the company's functional and presentation currency. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007, which requires that the company's business or other activity is carried on in a currency other than the Mauritian rupee.

Transactions and balances

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

Monetary assets and liabilities expressed in foreign currencies at year-end date are translated into USD at the exchange rates ruling at the balance sheet date. Translation differences on non-monetary financial assets and liabilities, such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss. Translation differences on non-monetary items, such as equities, classified as available-for-sale financial assets are included in the fair value reserve in equity.

Revenue recognition

Interest income is recognised on a time-proportionate basis using the effective interest method and includes interest income from debt securities.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2014.

Standards	**Description**
IAS 39 Financial Instruments: Recognition and Measurement	Introduces a narrow-scope exception to the requirement for the discontinuation of hedge accounting in IAS 39 by allowing hedge accounting to continue in a situation in which a derivative that has been designated as a hedging instrument is novated from one counterparty to a central counterparty, as a consequence of new laws or regulations, if specific conditions are met.
IAS 36 Impairment of Assets	Clarifies the scope of certain disclosures about the recoverable amount of impaired assets.
IAS 32 Financial Instruments: Presentation	Addresses inconsistencies in current practice when applying the offsetting criteria in IAS 32.
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other entities and IAS 27 Separate Financial Statements	Defines an investment entity and introduces an exception to consolidating particular subsidiaries for investment entities

The adoption of these amendments to the standards have not had had any impact on these financial statements

Notes to the Financial Statements for the year ended 31 March 2015

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 January 2014, and have not been applied in preparing these financial statements.

Standards	*Description*	*Effective date for accounting periods beginning on or after*
IAS 19 – Defined Benefit Plans: Employee Contributions*	Introduces a narrow-scope amendment to simplify the accounting for contributions that are independent of the number of years of employee service eg, employee contributions that are calculated according to a fixed percentage of salary.	July 1, 2014
Annual Improvements (2010-2012 Cycle) • IFRS 2 Share-based payment • IFRS 3 Business Combinations • IFRS 8 Operating Segments • IAS 16 Property, Plant and Equipment • IAS 24 Related Party Disclosures • IAS 38 Intangible Assets Annual Improvements (2011-2013 Cycle) • IFRS 3 *Business Combinations* • IFRS 13 *Fair Value Measurement* • IAS 40 *Investment Property*	This publication is expected to set out minor amendments.	July 1, 2014
IFRS7 Financial Instruments: Disclosures	Amendments resulting from September 2014 Annual Improvements to IFRSs	January 1, 2015
IFRS 10 Consolidated Financial Statements; IAS 28 Investments in Associates and Joint Ventures (Amended in 2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
IFRS 11 Joint Arrangements	Accounting for Acquisitions of Interests in Joint Operations.	
IFRS 14 Regulatory Deferral Accounts (New in 2014)	The objective of IFRS 14 is to specify the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	
IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets re:	Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
IAS 16 Property, Plant and Equipment and IAS 41 Agriculture	Agriculture: Bearer Plants In accordance with specific requirements in IAS 16 and IAS 41	
IAS 27 Separate Financial Statements (Amended in 2011)	Equity Method in Separate Financial Statements	
IFRS 9 Financial Instruments	Hedge Accounting	To be determined
IFRS7 Financial Instruments: Disclosures IAS 39 Financial Instruments: Recognition and measurement	Hedge Accounting; Simultaneously with IFRS 9, in accordance with specific requirements in IFRS 7 and IAS 39	

There are no other standards and IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Notes to the Financial Statements for the year ended 31 March 2015

5. INVESTMENT	**31 March 2015 USD**	31 March 2014 USD
107,668,888 fully paid class "A" Equity shares @ US$0.00374 of Web 18 Holdings Limited (previous year 107,668,888@ US$0.00374 each)	**57,387,481**	57,387,481
5,720,095 fully paid Class B Oridinary shares @ US$0.00374 of Web 18 Holdings Limited (previous year 5,720,095@ US$0.00374 each)	**6,400,000**	6,400,000
12,612,307 fully paid Preference shares @ US$0.00374 of Web 18 Holdings Limited (previous year 12612307@ US$0.00374 each)	**14,852,808**	14,852,808
	78,640,289	78,640,289

6. LOANS AND ADVANCES	**31 March 2015 USD**	31 March 2014 USD
Advances recoverable in cash or in kind or for value to be received	**1,374,854**	1,374,854
Prepaid expenses	**7,201**	1,469
Income tax paid	**148**	148
Interest accrued but not received	**161**	204
	1,382,364	1,376,675

7. SHARE CAPITAL	**31 March 2015 USD**	31 March 2014 USD
Issued, subscribed and paid up		
100,001 Equity Shares of US $ 1.00 each fully paid	**100,001**	100,001
49,118,691 Optionally Convertible Preference Shares of US $ 1.00 each (previous year 49,118,691 @ US$ 1 each) fully paid	**49,118,691**	49,118,691
	49,218,692	49,218,692

8. REVENUE DEFICIT	**31 March 2015 USD**	31 March 2014 USD
Balance brought forward	**(3,838,858)**	(2,943,506)
Loss for the year	**(937,165)**	(895,352)
Balance carried forward	**(4,776,023)**	(3,838,858)

9. UNSECURED LOAN	**31 March 2015 USD**	31 March 2014 USD
From fellow subsidiaries	**35,612,364**	34,682,225
	35,612,364	34,682,225

10. TAXATION

The Company is a "Category 1 Global Business Licence Company" for the purpose of the Financial Services Act 2007. The profit of the company, as adjusted for income tax purposes, is subject to income tax at 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid on 80% of the Mauritius tax on its foreign source income.

11. PARENT COMPANY

The Company was incorporated on 24 April 2007. It is a wholly owned subsidiary of Network18 Media & Investment Limited, a company incorporated in India.

12. RETIREMENT BENEFITS

During the year there was no employee on the payroll of the company who was entitled to retirement benefits.

Notes to the Financial Statements for the year ended 31 March, 2015

13. RELATED PARTIES

Name	Relationship
1. Network18 Media & Investments Limited	Parent company
2. Web18 Holdings Limited, Cayman Islands	Subsidiary company
3. Television Eighteen Mauritius Limited	Fellow subsidiary company
4. BK Holding Limited	Fellow subsidiary company
5. Network18 Holding Limited	Fellow subsidiary company
6. Ibn18 Mauritius Limited	Fellow subsidiary company
7. TV 18 broadcast Limited	Fellow subsidiary company

14. RELATED PARTY DISCLOSURES

	31 March 2015 USD	31 March 2014 USD
1. Television Eighteen Mauritius Limited		
a) TRANSACTIONS		
Interest on Loan	**12,164**	12,040
b) BALANCE PAYABLE	**442,534**	430,370
2. BK Holding Limited		
a) TRANSACTIONS		
Balance transferred to Network18 Holding Limited on amalgamation	**11,480,533**	302,399
b) BALANCE PAYABLE	**-**	11,480,533
3. Network18 Holding Limited		
a) TRANSACTIONS		
Interest on Loan	**367,436**	60,003
Balance transferred from BK Holding Limited on amalgamation	**11,480,533**	-
b) BALANCE PAYABLE	**14,031,594**	2,183,625
4. Ibn18 Mauritius Limited		
a) TRANSACTIONS		
Interest on Loan	**550,539**	544,881
b) BALANCE PAYABLE	**21,138,236**	20,587,697

Notes to the Financial Statements for the year ended 31 March, 2015

15. FINANCIAL INSTRUMENTS

	Financial assets 31 March 2015	**Financial liabilities 31 March 2015**	Financial assets 31 March 2014	Financial liabilities 31 March 2014
	USD	**USD**	USD	USD
United States dollars	**1,416,318**	**35,621,139**	1,425,931	34,687,855

16. FAIR VALUE

The carrying amount of loans and advances, cash and bank balances,unsecured loan and other payables approximate their fair values.

17. FINANCIAL SUMMARY

	31 March 2015 USD	31 March 2014 USD
Loss for the year before tax	**(937,165)**	(895,352)
Loss for the year after tax	**(937,165)**	(895,352)
Issued and fully paid up		
Share capital	**49,218,692**	49,218,692
Balance brought forward	**(3,838,858)**	(2,943,506)
Balance carried forward	**(4,776,023)**	(3,838,858)

18. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholders.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.